PRODUCING CRISIS/SURVIVING CRISIS: POWER, CAPITAL, AND THE SOCIAL STRUCTURE OF ACCUMULATION IN THE HASHEMITE KINGDOM OF JORDAN

by

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Abstract

This monograph will attempt to resolve a two-part problematique: (1) *why* is it that Jordanian capitalism continuously engenders developmental and social failures and (2) *how* is it that this capitalism endures in spite of engendering such failures.

In answering the first of these questions, I will emphasize structural properties endowed by both history and Jordan's global peripherality/external dependency before unwinding the more immediate causal and constitutive effects introduced by contemporary economic governance, the profit seeking behavior of an elite fraction of the capitalist class, and processes related to authoritarian renewal. I will attribute the endurance of this capitalism, meanwhile, to a constellation of integrated institutional bulwarks that I will refer to as Jordan's social structure of accumulation. Consolidating an elite-dominated form of accumulation and control, I will show how the stability realized through these institutional bulwarks both requires and implies long-term underdevelopment and high levels of social tension. Having demonstrated how this Janus-faced phenomenon functions to generate crisis conditions without ultimately precipitating either the collapse or evolution of the wider political economy, it is my hope that the paradox of Jordanian capitalism—a formation at once resilient and ontologically bound for failure—will be at least partially resolved. In this monograph's conclusion, I will use the thick description at the heart of this case study in conjunction with abductive reasoning so to derive generalizable theoretical knowledge as regards *actually existing neoliberalism* along the global periphery.

For Leila, my parents, and Bobby

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CHAPTER ONE

An introduction to (Jordanian) capitalism in the 21st century

If not sui generis, Jordanian capitalism is undoubtedly peculiar, as is most obviously and saliently evinced through its relationship with crisis.

On the one hand, it can be shown that crisis, *broadly defined,* constitutes both a necessary input and an inevitable output of capital accumulation in Jordan, an odd phenomenon in and of itself. Despite this being so and despite the economy's loitering in a state of terminal distress, moreover, it can also be shown that this formation somehow demonstrates both resilience and immutability as well. An impossibility of sorts, then, Jordanian capitalism seems to endogenously generate then stubbornly persist within the very conditions meant to trigger either its demise or its evolution.[1]

One could be forgiven for finding this all a bit disorienting. This is the country of a plucky, *reformist* King, after all, of a monarch who confidently traverses western capitals incanting tales of a rising *Silicon Wadi.* And yet, the slightest scrutiny would be sufficient to reveal King

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1 It is indisputable, of course, that the vagaries of Jordan's external environment intensify this capitalism's many failures, as the effects of the Syrian refugee influx well attests. Nevertheless, as it can and will be demonstrated that exogenous shocks only extenuate and compound tendencies *internal* to the economic formation—as failure and underdevelopment are therefore structural, endogenous, and even ontological properties of the Jordanian economy itself—, my conceptualization is meant to articulate that market failures are of *this* capitalism's own making in both the first and final instance.

Abdullah's stories of a post-modern prosperity[2] just beyond the horizon as little more than delusion and marketing-speak. A survey of critical national aggregates, for instance, evidences an economy marred by declining rates of savings, investment and gross fixed capital formation (GFCF). If GDP growth figures initially suggest a slightly rosier outlook, a quick peak under that hood establishes that these yields are borne almost exclusively of demographic shifts, the contingent inflows of Iraqi capital, and petrodollar recycling (bound for speculation in the built environment). To the extent, then, that economic expansion is now wholly disarticulated from labor productivity and total factor productivity—each of which have stagnated or receded across the past twenty years[3]—, one ought take little solace from what gains are, on occasion, reflected in metrics like the gross domestic product.

What is more, though the *opening* of the Jordanian economy was sold through constant reference to the teleologies of comparative advantage theory—to promises of export-led development, technological transfers, knowledge upgrades, efficiency gains, and healthy specialization—, its realities have revealed this as something of a long con. Tragically predictable though such an outcome may be, it nevertheless bears repeating and detailing that twenty years

2 I say "post-modern" as the King et al have promised a prosperity without industrialization or any of the traditional engines of economic catch-up. Emphasizing tech and the service economy, they articulate something resembling the Dubai model (though without the abundant capital).

3 Jordan Strategy Forum, "On the importance of labor productivity in Jordan: where is the challenge?", Report (2018), p.9.

This decline occurred despite Abdullah's tenure having coincided with the introduction of a number of game-changing general purpose technologies, of which digital communications represents but the most obvious example.

To offer some sense of the gravity of these productivity declines, Jordan ranked 116th in the world in labor productivity between 2010 and 2018.

of trade liberalization have, in actuality, produced an import basket growing in size and value and an export basket increasingly concentrated in low value garment manufactures and highly volatile, low-priced commodities such as potash and phosphates. Indicative of the wider industrial decay precipitated by the confluence of trade[4], investment, and industrial policy, the value added through Jordan's domestic manufactures (MVA) is falling ever further behind relevant comparators with each passing year, and high and medium-technology exports now constitute a smaller percentage of GDP (and of total exports) than they did in 1990. Lest one assume these are but temporary hiccups within an otherwise promising evolution, gross expenditures into research and development (R&D) suggest that industrial regression is likely to only accelerate as we move forward. Compounded by deficient outlays on education, the distance between Jordan and the global technological frontier can therefore be expected to widen with time, deepening the malaise hitherto described.[5] In view of everything from the country's declining terms of trade and substandard rates of innovation to the many issues begotten of its premature deindustrialization, Jordan's age of perdition in the lower middle income trap most certainly seems upon us.

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4 It is worth noting that the imposition of invasive intellectual property regulations—an imposition that is part and parcel of these trade policies—have also undercut those few technologically-intensive, forward-looking industries that had demonstrated potential prior to Abdullah's ascension (such as pharmaceuticals). These regulations were introduced first following Jordan's accession to the WTO, and more extensively following Jordan's signing of free-trade agreements (FTAs) with the United States and the European Union.

5 Per UNESCO, Jordan's gross expenditure into R&D (as a percentage of GDP) sits at .71 as of 2016. As a point of comparison, South Korea, the global leader on this metric, spends 4.3% of GDP on R&D. Economies that Jordan surpassed or equaled in terms of development as of the 1980s (such as Ireland, Estonia, Hungary, and Malaysia) all spend in the area of 1.5-1.8%.
As for expenditures on education, World Bank estimates put Jordan at 3.59% GDP as of 2017. By way of comparison, the average expenditure percentage for lower middle income countries is approximately 4.3-4.5% GDP as of the time of writing; OECD members averaged 5.2% as of 2013.

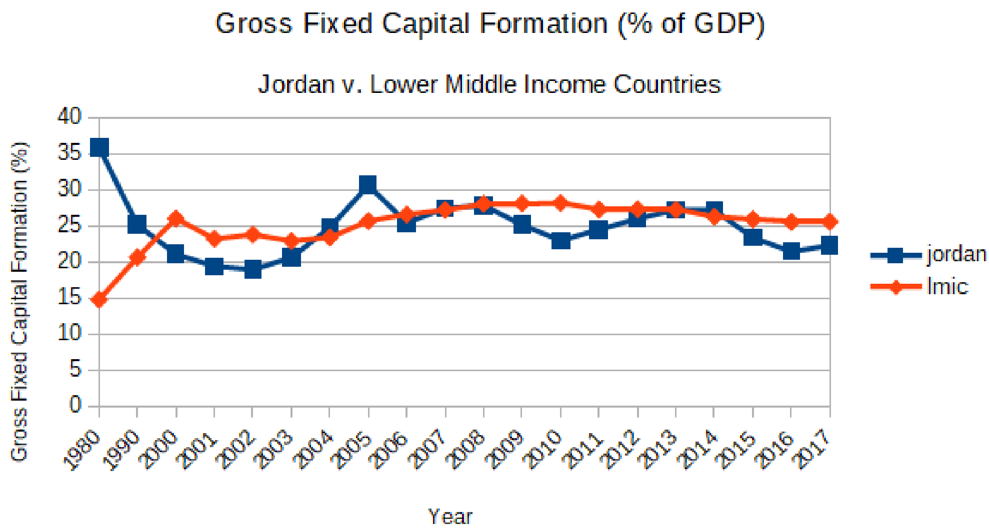
Gross Fixed Capital Formation by Kind of Economic Activity (Current Prices)

(Units: Million JD)

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agr., For., and Fishing	59	50	41	38	45	54	62	61	100
Mining and Quarrying	37	148	325	97	16	85	65	84	205
Manufacturing*	**380**	**329**	**360**	**811**	**328**	**409**	**446**	**412**	**415**
Electricity, Gas, etc.	236	105	298	267	101	264	181	282	178
Water Supply, Sewage, etc.	98	418	880	824	810	147	273	240	203
Construction	98	127	102	120	98	110	116	102	69
Wholesale and Retail Trade	49	45	56	67	86	89	88	147	151
Transportation and storage	401	159	130	72	128	79	92	152	216
Accommodation and Food services	36	36	36	77	48	38	42	35	56
Info and Communications	139	124	79	95	106	145	402	335	286
Financial and Insurance Activities	137	132	128	138	135	159	206	195	154
Real Estate Activities	**1914**	**1987**	**1885**	**1850**	**2336**	**2400**	**2157**	**2177**	**1905**
Prof, Scientific, and Technical Activities	5	3	5	4	2	4	5	7	8
Admin and Support service activities	7	7	4	6	5	1	0	2	20
Public Admin and defense	574	736	627	483	342	548	632	661	722
Education	125	129	104	101	82	93	171	185	141
Human Health and Social Work activities	120	131	113	142	82	135	128	121	112
Arts, entertainment, rec	0	1	5	2	3	1	1	3	2
Other Services	3	2	2	4	8	6	2	11	4
Household activities	0	0	0	0	0	0	0	0	0
Activities of Extraterritorial Organizations	0	0	0	0	0	0	0	0	0

* Manufactures are wholly dominated by low sophistication garments.

Data provided by the Jordanian Department of Statistics (Ministry of Planning and International Cooperation)



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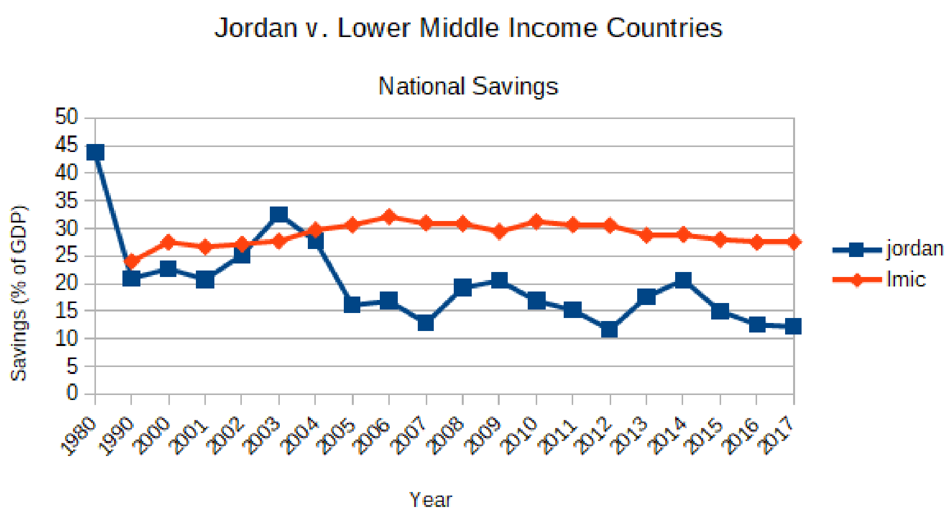

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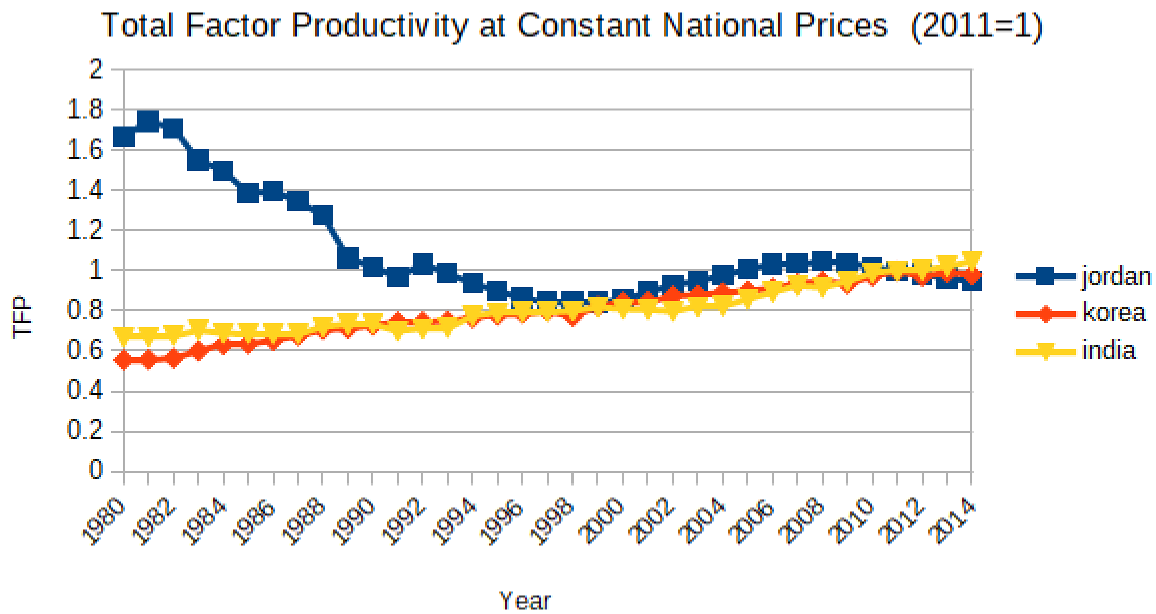

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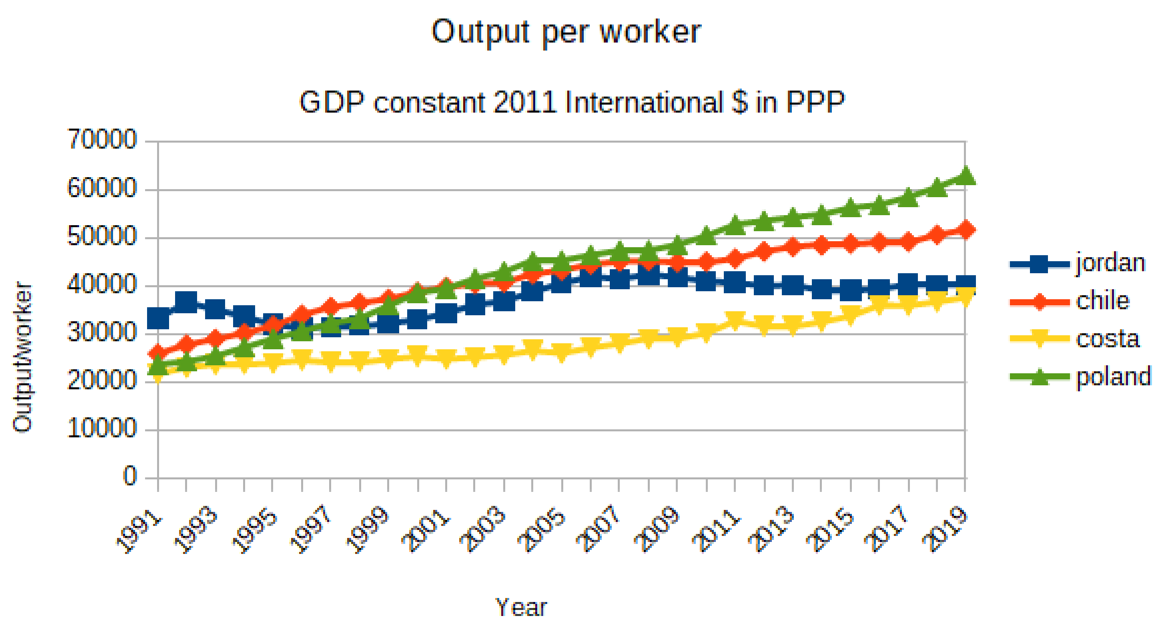

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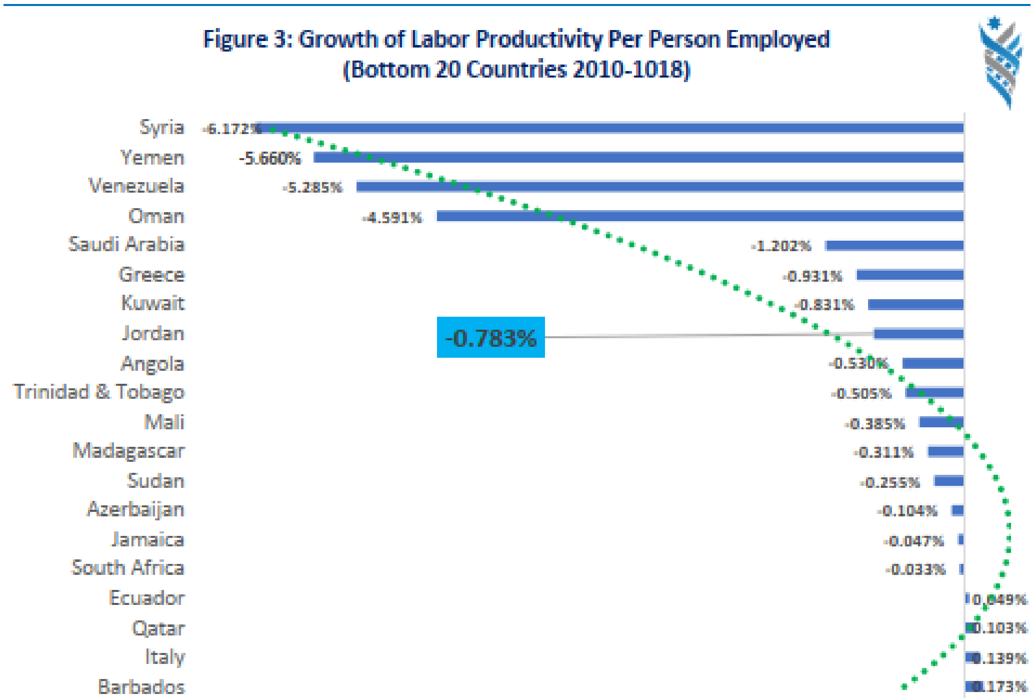
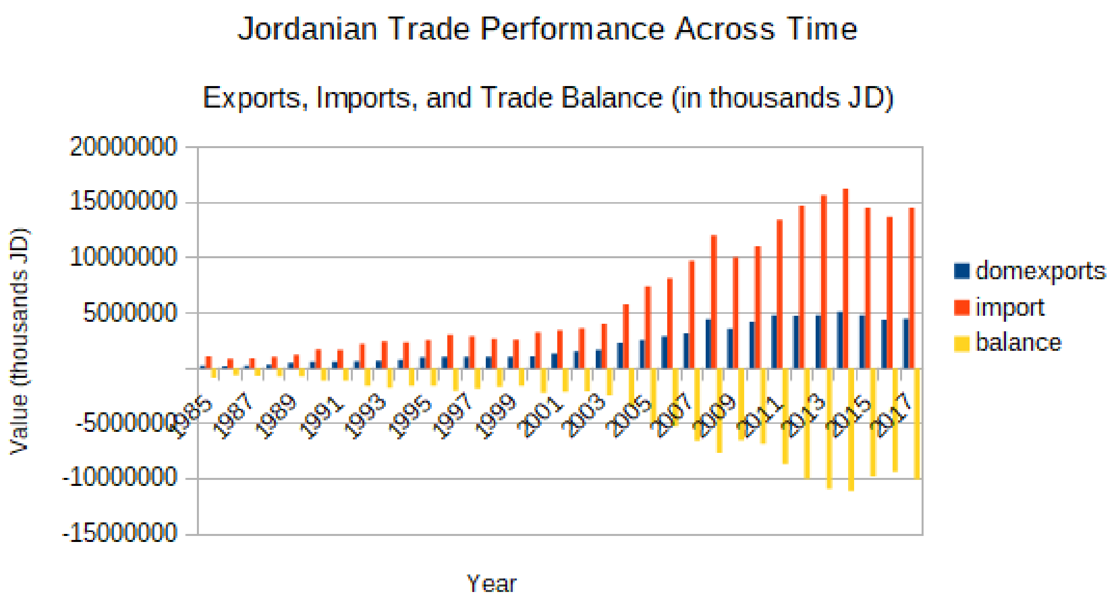
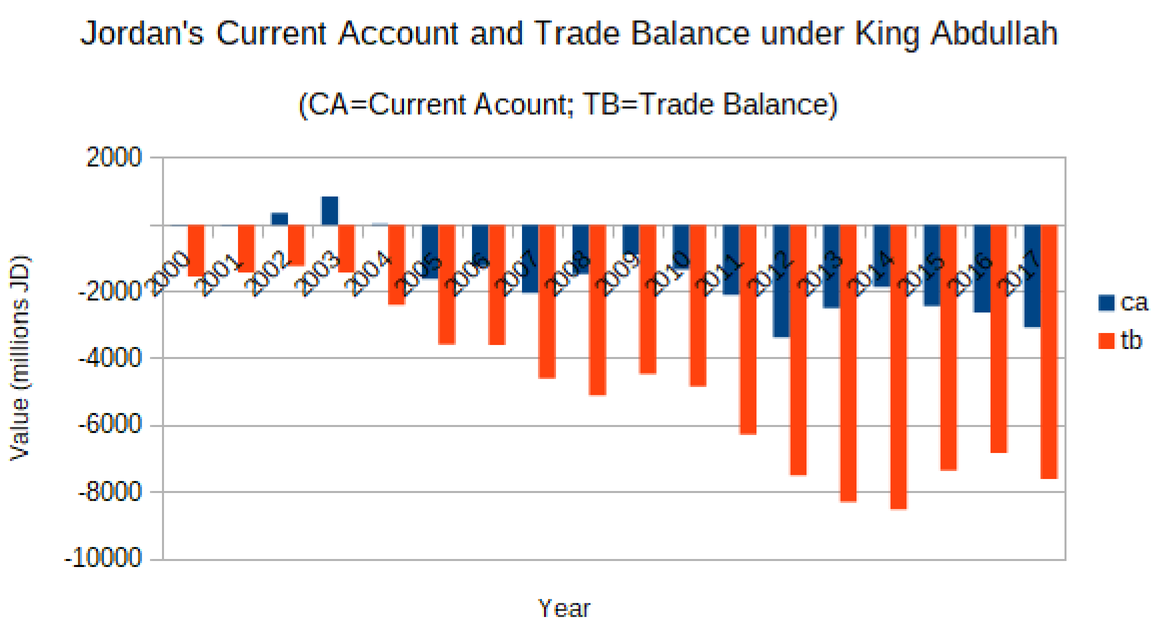


*Charts provided by Jordan Strategy Forum, "On the importance of labor productivity in Jordan: where is the challenge?", Report (2018), p.8-9



Data provided by the Central Bank of Jordan



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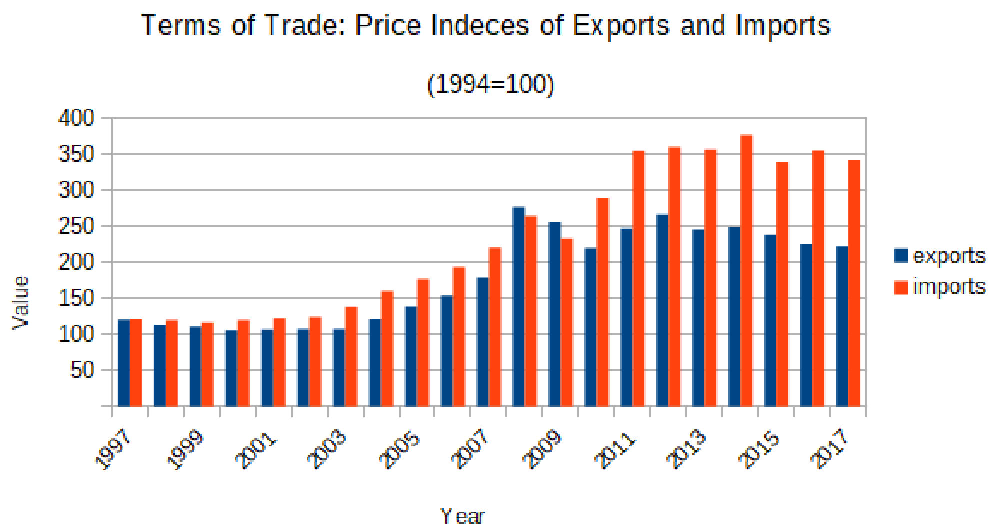
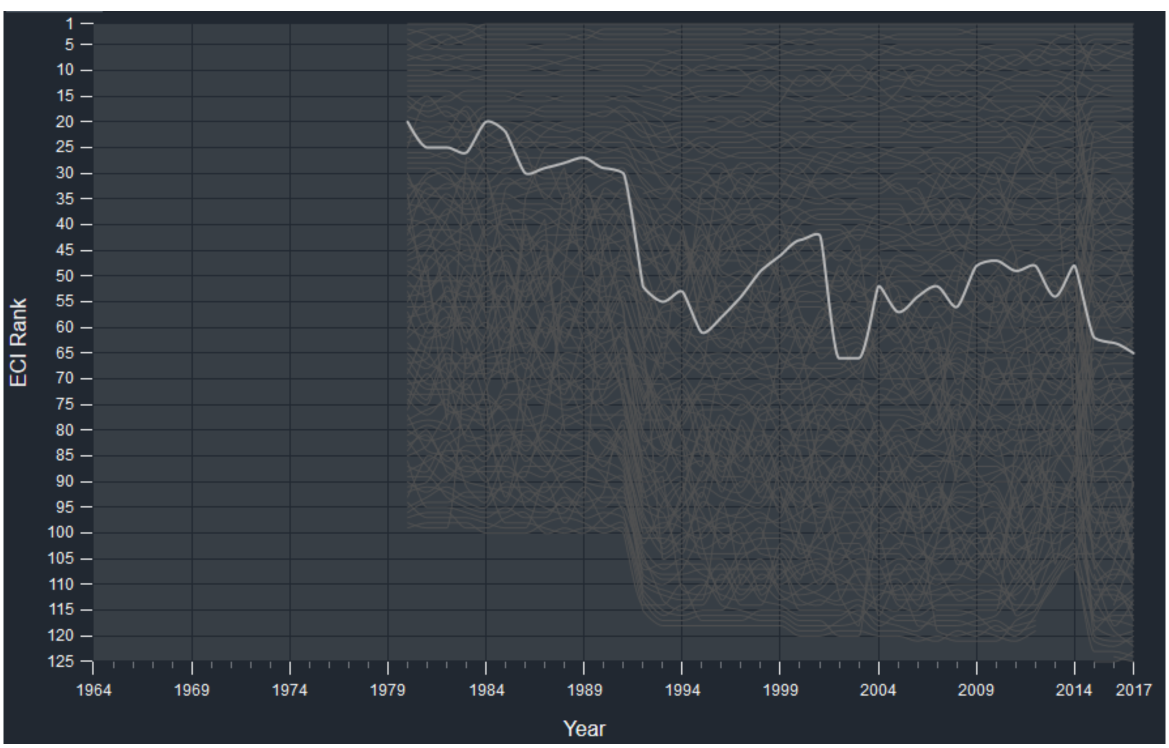
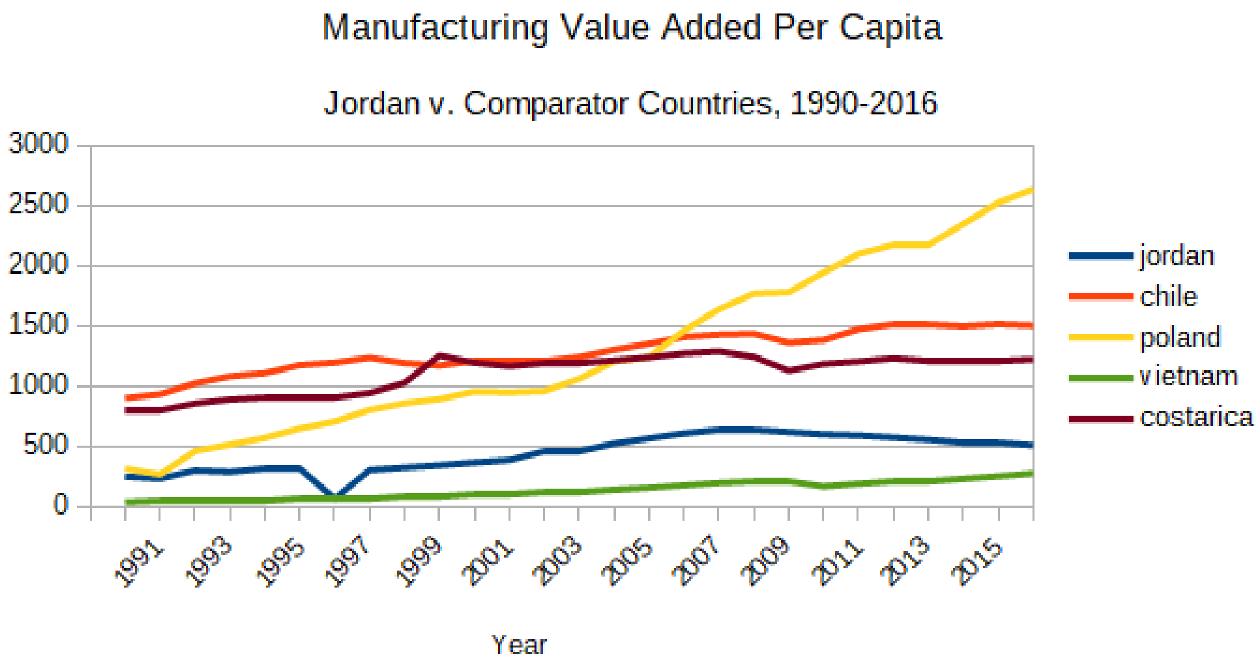


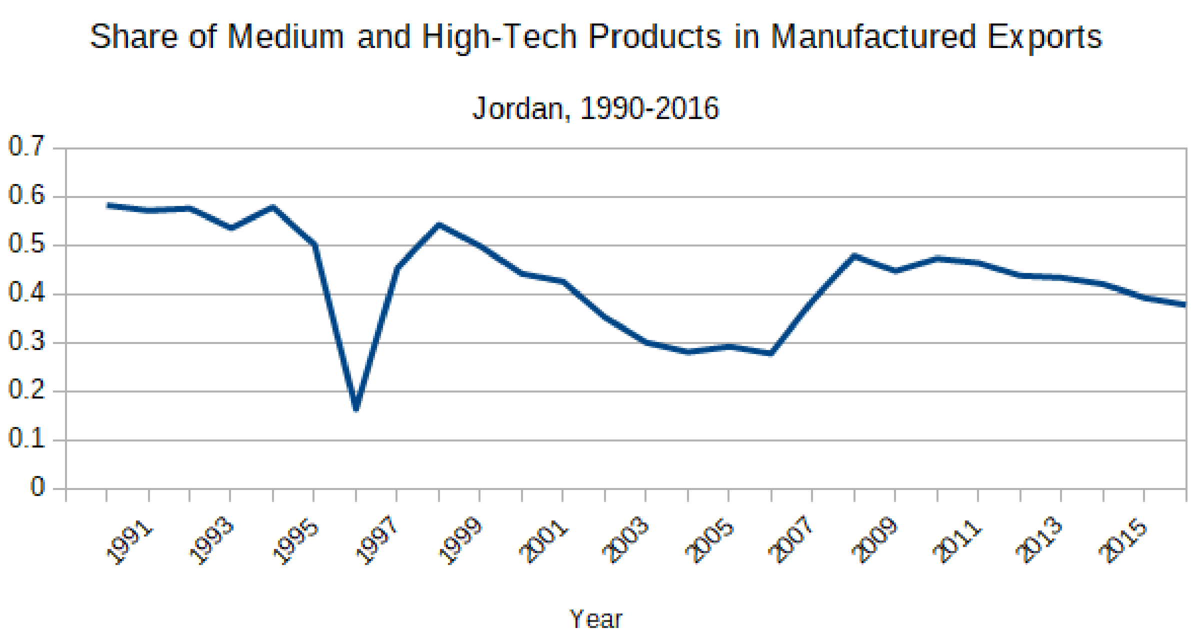
Data provided by Central Bank of Jordan

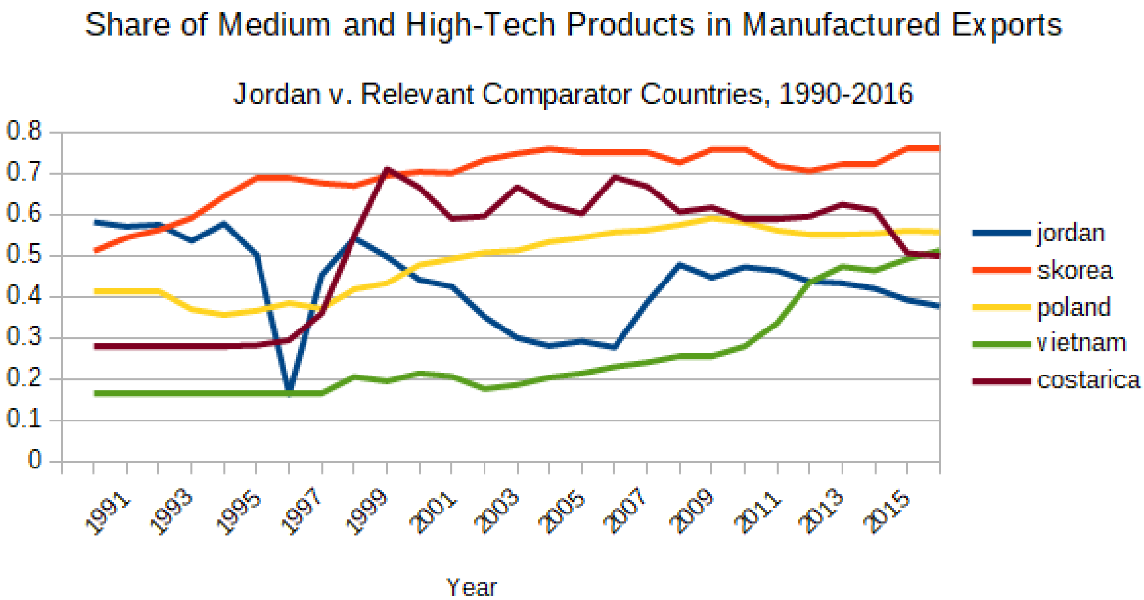
Ranking of Jordanian Export Complexity Across Time



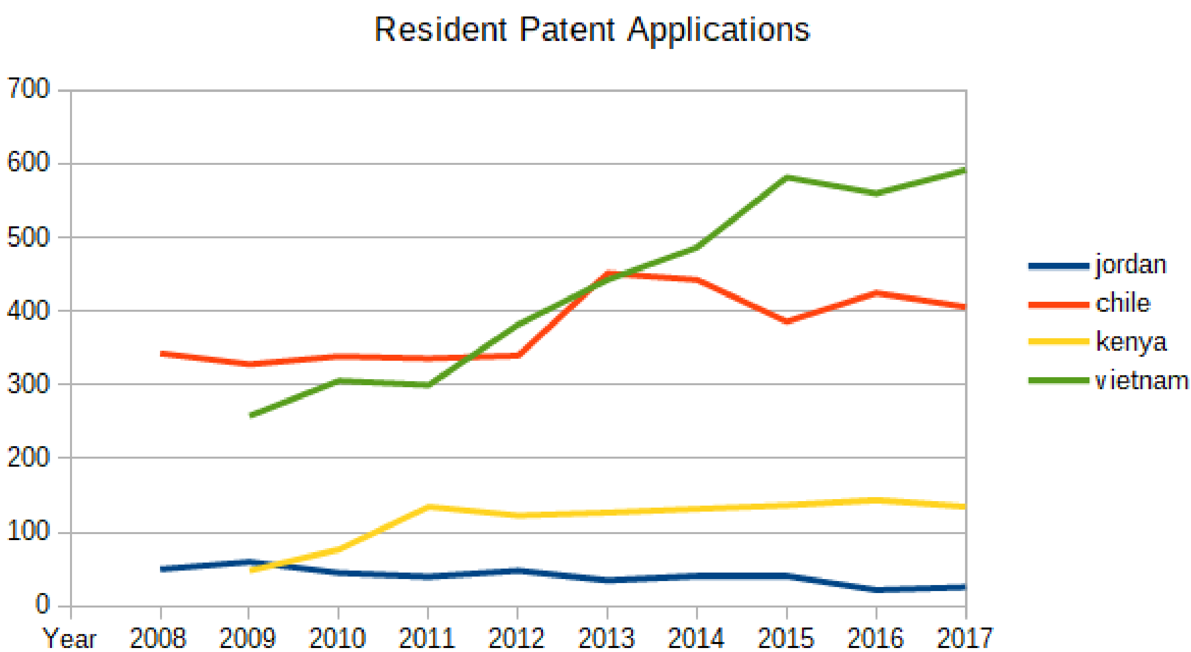
Data provided by Economic Complexity Index (MIT Media Lab/Harvard Center for International Development)


Manufacturing Value Added Per Capita
Jordan v. Comparator Countries, 1990-2016
3000
2500
2000
1500
1000
500
0
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
Year
jordan
chile
poland
vietnam
costarica


Share of Medium and High-Tech Products in Manufactured Exports
Jordan, 1990-2016
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
Year



* Data for previous three charts provided by the United Nations Industrial Development Organization



Data provided by World Intellectual Property Organization (WIPO)

Harrowing as the view is from the macro perspective, it improves little from the perspective of the firm. Between 2015 and 2017, of the 189 corporations listed on the Amman Stock Exchange (ASE), more than half (96) posted either declining rates of (pre-tax) profits or increasing rates of losses. More worrisome, perhaps, during this same period, greater than a third (68) of these publicly traded enterprises posted at least two years of losses.[6]

If the prevalence of non-profitability goes some ways towards establishing the state of contemporary economic distress, the prevalence of negative growth goes even further. For the same period just discussed, roughly 55% of the companies traded on the ASE (106 in total) reported net losses in aggregate fixed assets.[7] Should one exclude the banking and insurance

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6 On a sector by sector basis, eight of the fifteen firms in the banking sector posted declining rates of profit, fourteen of the nineteen in the insurance sector posted either declining rates of profit or increasing rates of losses (two firms also experienced losses in at least two of the years under examination), fifteen of the thirty in the financial services sector posted either declining rates of profit or increasing rates of losses (sixteen experiences losses in at least two years), fifteen of the thirty three in the real estate sector posted either declining rates of profit or increasing rates of losses (twenty experiences at least two years of losses), three of the six in the education sector posted declining rates of profit, seven of the eight in the hotels and tourism sector posted either declining profits or increasing losses (one experienced losses in two or more years), six of the ten in the transportation sector posted either declining rates of profit or increasing losses (three experienced losses in more than two years), the one media company listed (Al-Rai) posted both a declining rate of profit and two years or more of pre-tax losses, two of the four in the utilities sector posted declining rates of profit, one of the ten in the commercial services sector posted either declining rates of profit or increasing losses (three experienced losses in two or more years), two of the four in the pharmaceuticals sector posted either declining profits or increasing losses (one experienced two or more years of losses), two of the seven in the chemicals sector posted either decreasing rates of profit or increasing losses (four experiences two or more years of losses), six of the nine in the food and beverage sector posted either declining profits or increasing losses (one experienced losses in two or more years), one of two in the tobacco sector posted both increasing rates of loss and two years or more of loss, seven of eleven in mining and extraction posted either declining rates of profit or increasing rates of loss (six experienced two or more years of losses), two of seven in engineering and construction posted either declining rates of profit of increasing rates of losses (four experienced two or more years of losses), two of three in electrical industries experienced losses in two or more years, two of three in textiles posted either declining rates of profit or increasing rates of losses (one experienced two or more years of losses), and three of four in healthcare services posted either a declining rate of profit or an increasing rate of losses (one experienced two or more years of losses).

7 For the banking, finance, and insurance sectors—where business is not directly related to fixed capital formation—I accounted for growth by measuring total assets (rather than fixed assets).

sectors from these calculations—sectors relatively unaffected by negative growth in recent times[8]—, the magnitude of this generalized, economy-wide trend towards divestment and diminution comes into even starker relief, with a full 64.5% of non-banking, non-insurance firms posting net losses in fixed assets.[9] It is certainly worth asking whether the firms traded on the ASE are perfectly representative of the private sector writ large. Regardless, however, the torpidity they evince necessarily reflects a rotting foundation in the heart of Jordanian capitalism.

The accuracy of such an inference is corroborated in the labor market. Herein, one ought begin with job creation, which has been qualitatively insufficient across the tenure of King Abdullah. From 2005 to 2009—a relative boom time for the Jordanian economy—, the Economic Research Forum's *Jordan Labor Market Panel Survey* (JLMPS) established that the Jordanian economy generated 35,000 to 45,000 net jobs per annum.[10] Inadequate as these numbers already were, they unsurprisingly made little progress in the years following the global financial crisis of 2008-2009. Despite receiving a major bump from public sector hiring, between 2010 and 2016,

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8 Only three banking firms and four insurance firms posted negative growth rates between 2015 and 2017.

9 Seventeen of thirty financial services firms posted a decline in assets; twenty-seven of thirty-three real estate firms posted a decline in fixed assets; three of six education firms posted a decline in fixed assets; four of eight hotel and tourism firms posted a decline in fixed assets; six of ten transportation companies posted a decline in fixed assets; Al-Rai posted a decline; one of the four utilities and energy firms posted a decline in fixed assets; five of the ten firms in the commercial services sector posted a decline in fixed assets; two of the four pharmaceutical firms posted a decline in fixed assets; four of seven chemical firms posted a decline in fixed assets; both firms in the paper and cardboard and printing and packaging sectors posted declines in fixed assets; five of nine food and beverage firms posted declines in fixed assets; one of the tobacco firms posted a decline in fixed assets; nine of eleven mining and extraction firms posted a decline in fixed assets; five of seven engineering and construction firms posted a decline in fixed assets; all three electrical industries firms posted a decline in fixed assets; two of three textile firms posted a decline, and two of the four medical services firms posted a decline.

10 Ragui Assaad, "The structure and evolution of Employment in Jordan", in Ragui Assaad (ed.) *The Jordanian Labor Market in the New Millenium* (2014), p.5.

net job creation averaged out at roughly 38,000 jobs per annum, which translates to annual employment growth rate of just 2.1% per year.[11]

When one examines the *kinds* of jobs being created during these lost decades, it becomes apparent that the Jordanian economy is also producing disproportionately few opportunities for high-skill, high-wage workers. The table below, displaying net job creation since 2007 according to economic activity and according to whether an individual is employed by the public or the private sector, gives some indication of this structural fact.

Job Creation in Numbers (Sector and Activity)[12]

	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Public Sector jobs created	22230	26820	26760	18402	18248	16171	11487	17158	21408	15043	19532
Private Sector jobs created	47427	40386	46599	43584	33544	30756	35594	31391	26904	35203	32882
Jordanian Private sector jobs	34849	32227	32715	36360	29375	26568	28236	26111	22290	29714	28883
Non-Jordanian Private sector jobs	12579	8159	13885	7224	4170	4188	7358	5280	4614	5489	3999
Wholesale and retail jobs	10499	9525	11737	7786	7249	6870	9897	9514	6181	7438	7329
Manufacturing	5948	6512	5274	7039	5462	5858	5980	4286	4143	4641	4148
Accomodation and Food services	1301	1748	2247	3002	1866	2623	2375	3578	2486	5496	3025
ICT				1683	1963	1087	641	1252	354	1432	1306
Mining and Quarrying	1873	364	545	85	255	119	-113	264	3	-218	187
Financial services	2063	1938	1045	1984	1190	1466	1354	1090	1685	189	1647
Real Estate	4176	3912	2628	125	70	173	280	-127	104	-20	44
Household employment				5019	3437	2917	3410	2479	2532	3327	2682
Professional services				1860	1734	843	909	1347	1198	2051	2127
Human health and social work	3253	5191	5876	5990	4525	3692	3109	2968	3013	3653	4197
Construction	3314	3062	723	761	-254	1024	1839	965	738	1527	-634
Net Jobs created	70356	69092	76316	62813	52888	48068	48571	49935	48309	50853	53969

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[11] Ragui Assaad and Colette Salemi, "The structure of employment and job creation in Jordan: 2010-2016", Working Paper no.1259, The Economic Research Forum(2018), p.4.

[12] The data informing this table has been drawn from the Jordanian Department of Statistics, a division of the country's Ministry of Planning and International Cooperation.
Of note: the classification system was adjusted in 2009, at which point real estate related jobs were also made inclusive of business activities related jobs.

To the extent that new work *exists* today, then, it is in the sectors of wholesale and retail commerce, accommodation and food, and household businesses.[13] The dominance of these sectors in terms of job *flows* has also implied a transformation to the aggregate job *stocks* in Jordan. Data from 2016 show that approximately two thirds of all Jordanian wage workers are now employed in low-wage, low-skill service jobs.[14]

To make a bleak picture bleaker, one need also recognize that non-Jordanians constitute a significant percentage of those obtaining work in the low-wage service sector—a sector that, as just detailed, represents the single largest source of contemporary job creation.[15] In aggregate terms, the confluence of these two facts has resulted in non-Jordanians absorbing between 50-75% of all the jobs created in the post-2010 period.[16] By extension, these figures mean that

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13 Though the table evinces somewhat encouraging figures as regards jobs creation in the manufacturing sector, one should be judicious in evaluating the nature of these gains. As nearly 40% of all manufacturing labor works in enterprises employing 1-4 individuals, the gains shown in the data are not a reflection of a healthy expansion in the industrialized workforce; rather, it is a reflection of the state's promotion of household enterprises and microenterprises operating in the field of small scale food processing and handicrafts.

In addition, though the table might lead one to believe that the human health and social work job markets have experienced a significant jump in labor demand, it is worth noting that these jumps are almost entirely powered by government hiring campaigns.

14 Assaad and Salemi (2018), p.12.

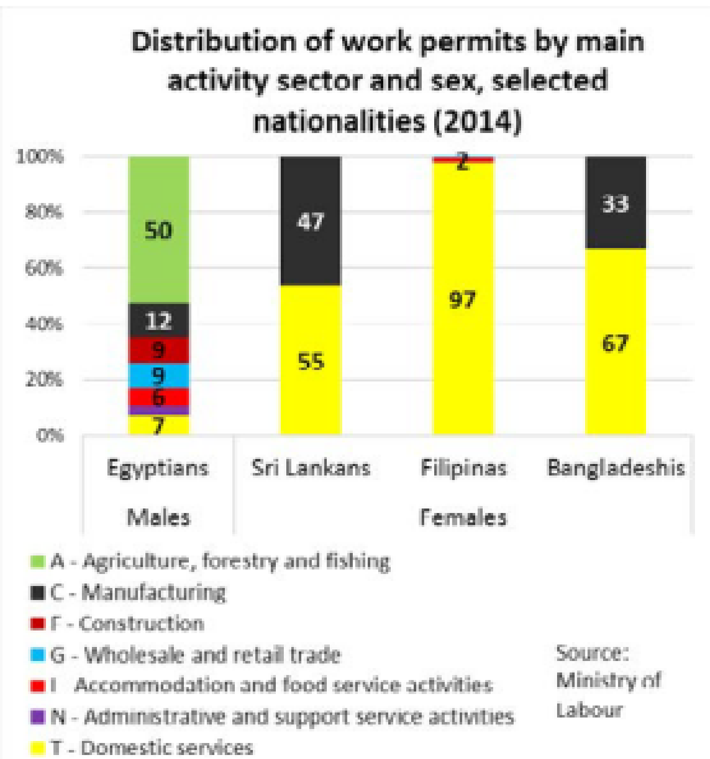
15 This non-Jordanian subpopulation is comprised of roughly 54% Egyptians, 20% Syrians, 20% *other* Arabs, and 6% South and East Asians.

16 See: The Ministry of Labor, *The National Labour Market Indicators: 2013-2017.* Published by the Labour Market Information Department (Amman, June 2018), pp.43-44.

Due to selective legal permitting and elite-benefiting immigration policies, non-Jordanians now represent majorities of the labor forces across the following economic activities: household employment, manufacturing, accommodation and food services, and construction. These same populations also represent a sizable segment of the wage-workers in the wholesale and retail commerce sector. This all being the case, non-Jordanians have *colonized* all the growth sectors in the contemporary Jordanian economy.

The latest data released from the Ministry of Labor confirms the continuation of these trends. In 2017, the aggregate number of permitted non-national workers in the Jordanian labor market grew to 390,091. The newest during these same years, *Jordanian* job seekers have been left to fight over a total of 9,000-10,000 new employment opportunities per annum.[17] The implications for the national unemployment rate (and for the employment-to-population ratio) should be obvious enough.

While the following tables and charts exclude non-registered, *illegal* foreign laborers from their tabulations—thereby excluding a subpopulation that itself numbers in the hundreds of thousands—, they should nonetheless give the reader a sense for the magnitude of the foreign presence in the Jordanian labor market.



* Graph provided by Francoise de Bel Air, *Migration Profile: Jordan.* Policy Brief for the Robert Schuman Centre for Advanced Studies (November 2016), p.7

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recipients of work papers primarily came from the Syrian refugee population (an additional 7.5 thousand), the African migrant population (4.4 thousand), the Egyptian migrant population (2 thousand) and from non-Arab Asian countries (2.1 thousand).

17 Assaad and Salemi (2018), pp.4-5.

الجدول رقم (23): عدد العمال الوافدون المسجلون لدى وزارة العمل حسب النشاط الاقتصادي

Table (23): Number of Registered Expatriate Workers by Economic Activity

Industry / Year	2016	2015	2014	2013	2012	النشاط الاقتصادي / السنة
Agriculture, Forestry,and fishing	91363	97394	108406	88605	85880	الزراعة والحراجة و صيد الأسماك
Mining and Quarrying	573	522	631	748	901	التعدين واستغلال المحاجر
Manufacturing	83052	78214	73507	68508	62434	الصناعة التحويلية
Electricity, gas, steam and air conditioning supply	254	77	107	189	346	إمدادات الكهرباء والغاز والبخار وتكييف الهواء
Water supply, sewerage, waste management and remediation activities	1047	374	432	394	396	إمدادات المياه والمجاري وإدارة النفايات ومعالجتها
Construction	19316	20317	20442	18322	17835	الإنشاءات
Wholesale and retail trade; repair of motor vehicles and motorcycles	24472	21263	21058	20183	19875	تجارة الجملة والتجزئة وإصلاح المركبات ذات المحركات والدراجات النارية
Transportation and storage	2389	4058	3596	1954	2037	النقل والتخزين
Accommodation and food service activities	17686	15186	15611	15532	16541	أنشطة الإقامة والخدمات الغذائية
Information and communication	305	253	285	351	347	المعلومات والاتصالات
Financial and insurance activities	146	155	178	306	401	أنشطة المالية والتأمين
Real estate activities	236	181	191	308	285	الأنشطة العقارية
Professional, scientific and technical activities	872	961	1066	1288	2137	الأنشطة المهنية والعلمية والتقنية
Administrative and support service activities	5313	4644	7628	5162	5483	أنشطة الخدمة الإدارية والدعم
Public administration and defence; compulsory social security	3556	3093	3000	3402	3301	الإدارة العامة والدفاع، الضمان الاجتماعي الإجباري
Education	1480	1636	1683	1622	1644	التعليم
Human health and social work activities	794	750	734	666	863	أنشطة الصحة البشرية والخدمة الاجتماعية
Arts, entertainment and recreation	243	248	322	385	471	أنشطة الفنون والترويح والترفيه
Other service activities	3497	2471	2337	2687	3228	الأنشطة الخدمية الأخرى
Activities of households as employers; undifferentiated goods and services-producing activities of households for own use	62082	63079	63029	55461	55292	أنشطة الأسر المعيشية كصاحب عمل ، أنشطة الأسر المعيشية لإنتاج سلع وخدمات غير مميزة لاستعمالها الخاص
Activities of extraterritorial organizations and bodies	207	169	167	124	101	أنشطة المنظمات والهيئات الخارجة عن نطاق الولاية الإقليمية
Total	318883	315045	324410	286197	279798	المجموع

المصدر: وزارة العمل

Table provided by Ministry of Labor (2018), p.43

By virtue of the fact that the labor supply has grown exponentially during the decades of Abdullah's rule—not only in raw numbers but in levels of education—, deficiencies in private sector labor demand have proven even more acutely consequential than would otherwise be the case. Nowhere are these consequences more obviously manifest than in the area of unemployment.[18] Between 1999 and 2009, the unemployment rate floated between 13% and 16%. Spiking even further upon the eruption of the Arab Uprisings, at the time of writing, it sits at 18.7% (March 2019).[19]

Though unemployment is a universal, non-discriminating affliction in Jordan, it is incommensurately suffered by the young, the highly educated, and the female. Regarding its gendered properties, female unemployment rates trend consistently and significantly above national averages, irrespective of education or any other mediating variable. The most recent estimates of the ILO (2018) posit a female unemployment rate of 25.1%.[20] If only to further underscore the private sector's endemic inadequacies, it is worth noting that this percentage

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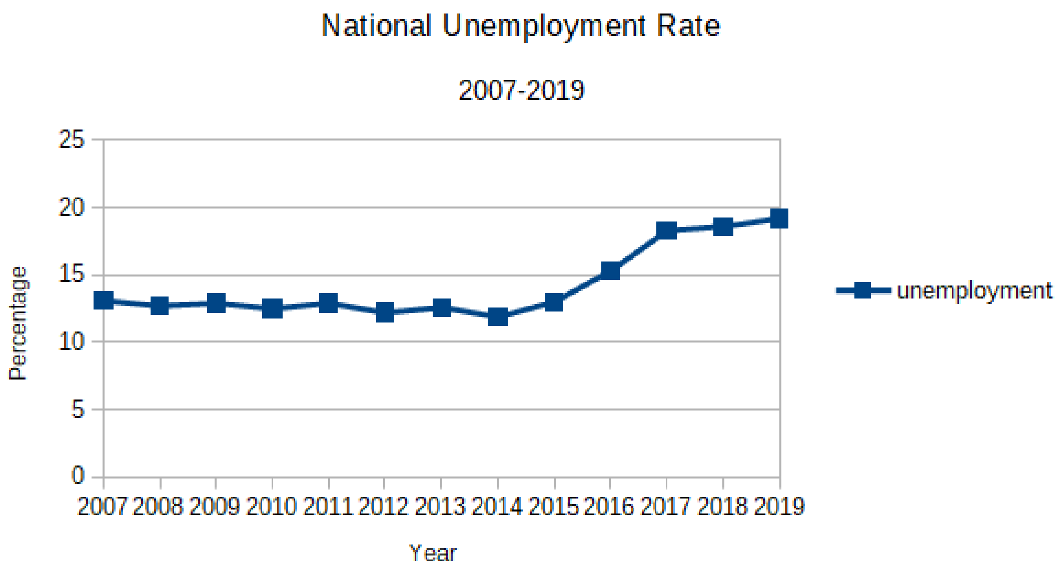
[18] This dissertation will argue that unemployment in Jordan is primarily a function of demand side failures in the labor market (i.e. in private sector job creation). As I will later contend, I believe these failures can be best explained through unwinding the coimbricated histories of Jordanian state and class formation. While the Hashemite regime and its partners in Washington have long tried to attribute unemployment and economic non-participation to either an assortment of psychic pathologies and human capital deficiencies on the part of job seekers or to the distorting effects generated by the public sector, these charges are superficial, incomplete, ideological, and self-serving.

For more on this, see: Colin Powers, "Policy convergence, (under)development, and Jordanian economics under King Abdullah", *Middle East Law and Governance* (forthcoming).

[19] This figure was published the Department of Statistics in March, 2019.

[20] Data can be accessed at: https://ilostat.ilo.org/

would actually be much lower were it not for post-uprisings public sector hiring campaigns within the fields of education, healthcare, and social work.[21]



Data provided by the Jordanian Department of Statistics

That the educated job seeker too experiences unemployment at rates in excess of the national average is similarly beyond contention.[22] Taking 2010 as an example, where college

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[21] See: Assaad and Salemi (2018), p.17. Their survey research shows that women actually disproportionately benefited from the public sector's post-uprisings expansion. In the aggregate, however, those public sector jobs are still relatively scarce.
Importantly, it is also critical to note that when female job seekers are unable to secure formal jobs within the public sector, they do not turn to the private sector; rather, they drop out of the labor force in shockingly high numbers.

[22] It is also worth noting that the incremental returns of education (on wages) have declined in recent years. See: Rami Galal and Mona Said, "The evolution of wage formation and inequality in Jordan in 2010-2016", Working Paper no.1209, Economic Research Forum (2018), p.4.

This is in part a function of 2013 legislation that put a cap on government and civil service wages, a cap that would, by definition, affect the wages of high skill, high educated individuals near the top of the bureaucracy.

educated job seekers comprised only 13% of the labor force, they nevertheless made up 30% of the country's unemployed.[23] Some of this, of course, can be explained by the fact that college-educated job seekers are representing a greater share of the new entrants coming into the labor market each year (as the charts on the next pages attest).[24] As new entrants are likely to spend some time searching for a job, their unemployment numbers—and, by extension, the unemployment numbers of college graduates—are always going to be in excess of national averages.[25] And yet, the explanatory power of this proposition will soon be shown to be limited just as the plight of the educated job seeker will be shown to run far deeper.[26]

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23 Assaad (2014), p.9.

24 While the college educated comprised just 8% of the working age population at the start of Abdullah's reign, by 2010, they were constituting 30% of all new labor market entrants (Assaad, 2014, p.9).

25 When one considers that 2010, the year these statistics were recorded, also coincided with a more generalized economic downturn, it is reasonable to assume that the job search-to-employment pipeline for college graduates would have been more congested than usual, and that their unemployment rate would have have been further inflated as a result.

26 To foreshadow arguments that will later be developed in detail, it will be demonstrated that industrial and investment policy over the past twenty years have predominantly serviced business interests operating in the fields of luxury real estate, construction, and low sophistication garment manufacturing. As employment opportunities in these sectors are low-skill in nature and as the profit margins achieved in each of these sectors depends upon a number of implicit subsidies—including the ability to employ unprotected, low skill foreign laborers—, the state-backed boom they have experienced has done precious little for the college-educated job seeker. It will also be shown that Abdullah's politicized use of public sector hiring in the post-uprisings period has disproportionately rewarded low education, low skill job seekers—meaning that college graduates have found little joy in the bureaucracy as well (Assad, Employment and Job creation, p.9).

<u>Educational Levels of New Market Entrants, 1960-2010</u>[27]

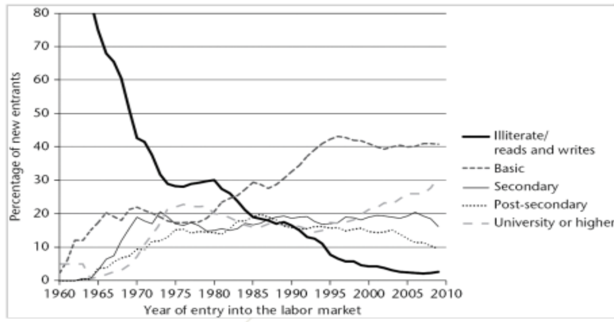


Figure 1.5 . Distribution of new entrants by educational attainment and year of entry into the labor market, ages 15–64, Jordan

Source: JLMPS (2010).

<u>The Unemployed by Education Levels (2000-2010)</u>[28]

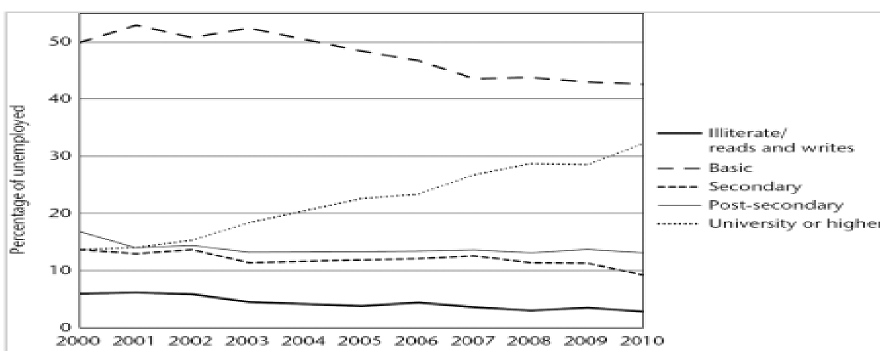


Figure 1.6 . Distribution of the unemployed (15–64) by educational attainment, 2000–2010

Source: EUS (various years).

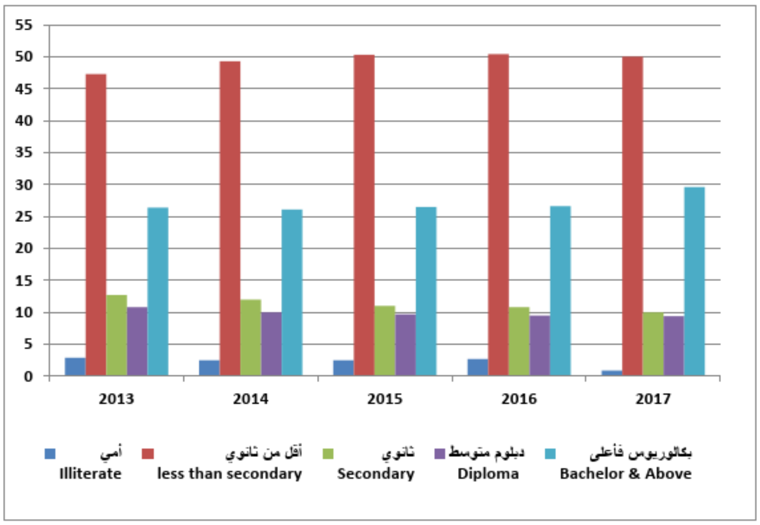
27 Chart provided by Assaad (2014), p.9

28 Chart provided by Assaad (2014), p.8

The Jordanian Employed 2013-2017[29]

الشكل رقم (4): التوزيع النسبي للمشتغلين الأردنيين (%) حسب المستوى التعليمي

Chart (4): Percentage Distribution of The Jordanian employed Persons (%) by Educational Level



As for the pervasiveness youth unemployment—which has hovered between three and four times the national average for the past decade[30]—, no perspicacious sociological imagination is required to determine that it too traces back to anemic private sector job creation. As earlier detailed, the Jordanian economy (public sector included) generates roughly 35,000-45,000 job opportunities per annum. The percentage of the population that is fifteen years or greater, meanwhile, is growing at approximately 3.8%/year. In nominal terms, this means that with each year that passes, a fresh cohort of approximately 158,000 15 year-olds is coming of age.[31]

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[29] Chart provided by Ministry of Labor (2018), p.17

[30] As another way of conceptualizing this phenomenon, one should also consider that the youth *employment* rate has dropped from 48% in 2010 to 37% in 2016.
See: Al Azzawi and Hlasny (2018), p.7.

[31] These figures are drawn from the 2016 Jordanian Employment and Unemployment Survey (EUS 2016) conducted by the Jordanian Department of Statistics.

Assuming that roughly half of these individuals delay their entry to the job market so to continue their studies, one can conservatively estimate that somewhere in the area of 50,000 *new* fifteen year-olds are joining the labor market each year. In combination with the fresh high school and college graduates doing the same, economists have thereby estimated that the total number of new job seekers will fluctuate between 70,000 and 90,000 per annum.[32] Subtracting net job opportunities from new job seekers, then, one can see that 35,000 to 55,000 young, first-time entrants to the labor market will fail to find work each year.

Before closing on the unemployment crisis, I would be remiss were I to ignore that it appears impervious to economic growth. Indeed, while contemporary unemployment in Jordan has demonstrated a predictable responsiveness to economic downturns[33], the inverse effect has not been evinced during periods of high economic growth. During the first decade of Abdullah's rule—the aforementioned 1999 to 2009 period—, for instance, despite GDP growth figures averaging out at around 6% per annum, the unemployment rate failed to make any substantial gains.[34]

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32 See: Shireen al Azzawi and Vladimir Hlasny, "Youth Vulnerability in Egypt and Jordan: Dimensions and Determinants", *Working Paper no. 1275,* Economic Research Forum (2018).

For a full statistical review, see the databases of Al-Manar Center for Human Resource Development. Accessible at: http://www.almanar.jo/en/human-resources-information/onlinestatistics

33 Once growth collapsed following the onset of the global financial crisis, this *negative* responsiveness of the unemployment would be demonstrated quite clearly. Though significant increases in public sector hiring helped partially mitigate losses in the labor market—the public sector employment's share in total employment increased from 39% in 2010 to 42% in 2016—, it was at this stage that the unemployment rate tracked upwards towards 20%.
See: Assaad and Salemi (2018), p.17.

34 This is well documented by Assaad (2014), p.1-5.

Importantly, the meagerness of private sector job creation is not only implicated in Jordan's dangerous unemployment levels; it also informs the country's woeful labor force participation rates. Between 2015 and 2017, only two in every five working age Jordanians was actively participating in the labor market. [35] When one accounts for the fact that roughly one of every five economically active people is unemployed, this means that the *employment* rate in Jordan averaged out around 32% during these years, a figure largely in keeping with recent historical trends. Across the duration of Abdullah's tenure, in fact, annual employment-to-population ratios have never once exceeded 37%.[36] By way of comparison, the average employment to population ratios for both OECD and lower middle-income countries during this same period were approximately 56%.[37]

While extremely low labor force participation rates amongst females go a long way towards explaining these depressed figures—for the post-2000 period, ILO estimates show

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35 See: Jordan Strategy Forum, "On the importance of labor productivity in Jordan: where is the challenge?", Report (2018), p.5.

As was also established through the JPLMS's longitudinal, survey based analysis (extending between 2010 and 2016), the most persistent labor market state for thirty-five to sixty-four year-olds—meaning the state from which a person was least likely to transition out of during the intervening period—was to be "not employed, not in education, not in training" (NEET). A shocking 90.8% of the respondents that indicated they were in a NEET state in 2010 would remain in such a state as of 2016.
For more on this, see: Assaad and Salemi (2018), p.14.

36 This percentage is calculated as the number of employed people over the age of 15 against the total population. For the vast majority of this period, the employment to population ratio has fluctuated between 32% and 36% according to ILO and World Bank data.

37 Had Jordan's new entrants into the job market been integrated at appropriate levels, demographics dictate that the expansion of the labor pool would have pushed employment-to-population ratios up near 65-70%. Such a ratio would have facilitated gains not only in terms of aggregate demand and growth but also in terms of government revenues.

annual female labor force participation rates hovering between 11.2-14.9%—, it is important to note that Jordanian males are checking out of *work* at increasing rates as well. Between 2010 and 2015 alone, male employment-to-population ratios declined by roughly 15%, dropping from a 64% rate at the beginning of the period to a 55% rate by period's end.[38]

Just as was the case with unemployment, labor force non-participation is also particularly high amongst Jordanian youth. Worse than that, recent data suggests that the young's disengagement from the economy does not reflect a temporary response to a temporarily distressed labor market, but rather, a semi-permanent condition.[39] As Assad's longitudinal labor market analysis documents, 47% of those 15-34 year-olds who were not employed, not in education, and not in training (NEET) in 2010 remained in that same labor market state as of 2016.[40] On the basis of these findings, it is reasonable to conclude that an initial failure in transitioning to the labor market can result in long-term economic withdrawal—and all that implies for both the individual and for national development.

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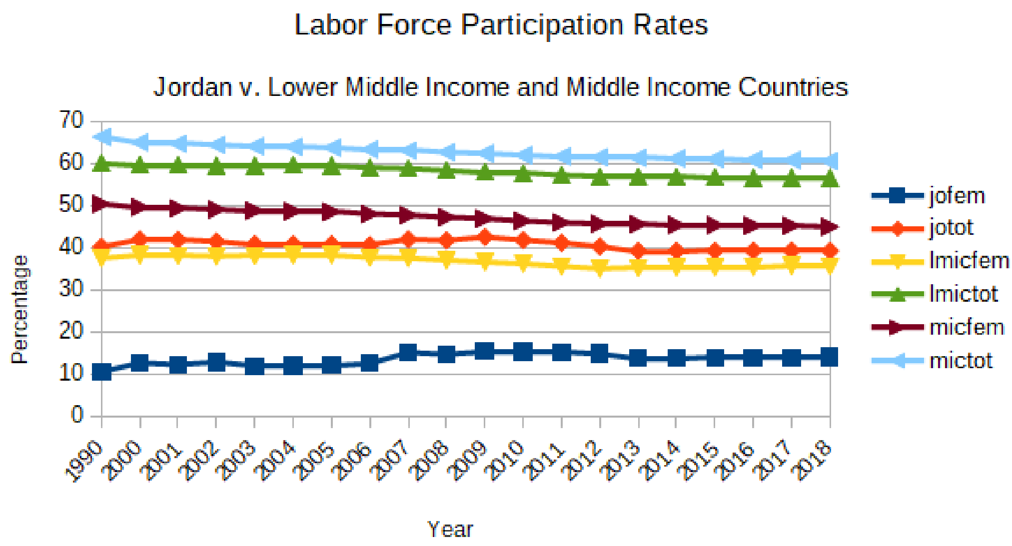
[38] Assaad and Salemi (2018), p.3.

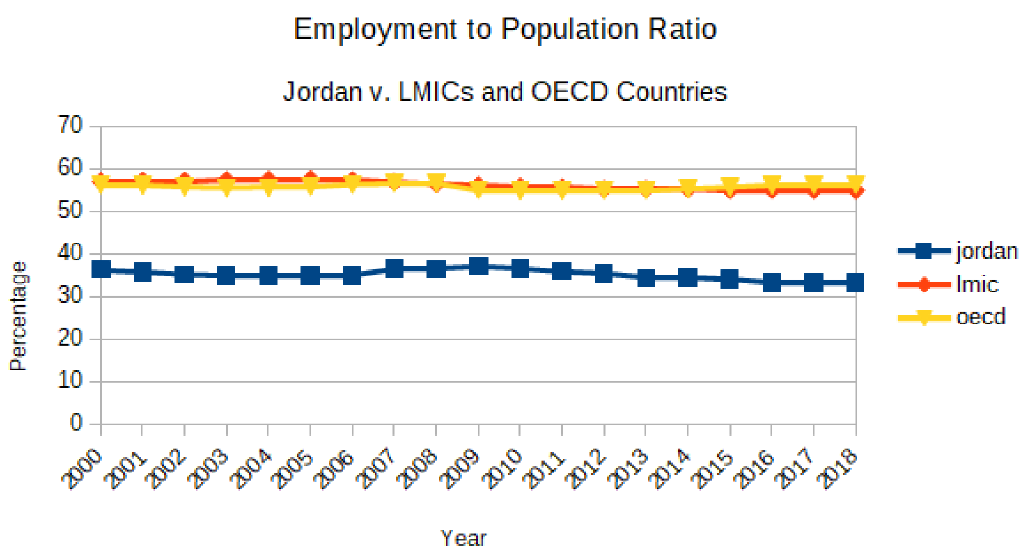
[39] As of 2016, 44.9% of all respondents to the Department of Statistics EUS labor market survey indicated that they dropped out of the labor force due to their belief that there was no work available while 21.4% did so because they could not find "suitable work." When one considers that those percentages are 41.6% and 15.3%, respectively, for those aged 15-24—with another 14.3% expressing job search fatigue as the primary reason for non-participation—, one can see that the young are experiencing a sense of hopelessness and apathy, and that the prospects of a *lost generation* are very real indeed.

These findings are corroborated by the JPLMS of 2016 as well. See: Al Azzawi and Hlasny (2018), p.4.

[40] See: Assaad and Salemi (2018), p.43.
As I will discuss in the section on discipline, much of this immobility is the result of negative externalities introduced by the regime's attempts to formalize the labor market.



Data provided by World Development Indicators (World Bank); ILO estimates



Data provided by World Development Indicators (World Bank); ILO estimates

For the scarce few Jordanians who are able to find work, moreover, it is critical to emphasize that employment is likely to afford them little beyond a poverty wage. On the basis of data furnished by the 2010 JPLMS survey, for instance, Galal and Said conservatively estimated that 49% of Jordanian workers earned a wage placing them and their families below the *low earnings line.*[41] Though the same authors contend that the passage of minimum wage legislation in 2013[42] managed to reduce this percentage to 21% as of 2016, their calculations are the product of highly dubious methodological choices.[43] Most simply put, Gala and Said's determination of the

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41 The low earnings line is calculated by multiplying the national poverty line against the national dependency ratio (i.e. how many non-laborers in a household are dependent on the wages of the breadwinner). To the extent that the national poverty line does not accurately reflect the reality of poverty in Jordan, it is exceedingly possible that this low earnings line will wind up structurally undercutting the rate of working poverty today.

42 Their 21% figure is referenced on p. 8 (Galal and Said 2018).

Since 2010, the Palace has frequently legislated increases to the national minimum wage. As of 2019, the minimum wage has been set at 190 JD.

Regarding the effects of these pieces of legislation, a number of points need to be raised. Firstly, as will be argued on the next few pages, I believe it is reasonable to conclude that a wage of 190 JD per month would still leave a family in de facto poverty. While a nice step forward, then, the implementation of a minimum wage still leaves a lot to be desired. Secondly, Jordan's MSME's have a long-demonstrated history of informal business practices (i.e. non-compliance with government regulations). This being the case, it can be assumed that many such businesses continue to pay wages well below 190 JD per month. Given that MSMEs employ a plurality of Jordanian workers—as well as the vast majority of those most likely to be affected by such legislation—, this history of non-compliance suggests that the government's efforts are unlikely to reach many of the workers most in need of such interventions.

43 Specific to my skepticism, one need begin with the fact that the methodology through which both the Jordanian government and the aforementioned Galal and Said calculate *their* national poverty line is highly dubious. By consequence of their use of inherited formulae and outdated and invalid cost of living assumptions—issues also plaguing how western countries engage with questions of poverty today—, each operates from the premise that that JD 80.2 per month is sufficient for keeping an individual out of poverty. As a daily figure, this breaks down to JD 2.67, a number that I will show to be wholly dissonant from what household expenditure data suggests is needed to keep someone clothed, sheltered, and fed in modern Jordan.

What is more, it is worth noting that Galal and Said's determination of a significant drop in working poverty between 2010 and 2016 had also been powered in no small part by a somewhat arbitrary methodological revision. Specifically, the scholars changed the dependency ratio in their formula from 4.0 to 3.0 (e.g. they shifted low earnings line had been calculated on the basis of a poverty line set at 2886 JD per annum for a family of four. A review of household expenditure data gathered by the Jordanian Department of Statistics, however, makes clear that such an income is in no way commensurate with the modern cost of living, even after controlling for the inflationary effects of Amman's cosmopolitan exception.[44] Household expenditures in Jordan's four poorest governorates—Ma'an, Tafila, Karak, and Balqa—, for instance, average out at approximately JD 6606.9, JD 4727.5, JD 6510.3, and JD 7233.7 per year, respectively. To the extent that these governorates witness pervasive and generational poverty, the fact that such figures are magnitudes greater than the official poverty line used in Galal and Said's analysis suggests the authors' claims are necessarily and unduly conservative.

In addition, even if one were to accept Galal and Said's spurious poverty line—and agree, for a moment, that that an income of roughly JD 3,000 per annum (or JD 250 per month) might be stretched through one form of alchemy or another so to cover the basic needs of a Jordanian family—, a review of median and mean wages is sufficient to establish that a majority of Jordanian workers still remain perilously close to impoverishment today. The median wage in

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their formula on the claim that an average wage earner in 2016 needed to only support three other household members, rather than four, as was the case on 2010). When taken in conjunction with the poverty line that has been asserted by the Jordanian government, this dependency ratio yields a *low earnings* line of JD 240.5 per month per household. This equates to an annual wage of JD 2886.

[44] In 2017, for example, the Department of Statistics' survey found that the average food expenditures of a Jordanian household alone amounted to JD 4079.7.

Though one may assume that this figure to be partially inflated by the spending of the Ammani elite—as might also be the case with average expenditures on housing and utilities, which amounted to JD 2921 that same year—, such averages, which together add up to a figure more than three times the national poverty line, should minimally give one pause in accepting the claims put forth by Galal and Said.

Jordan in 2016 was a mere JD 370 JD per month, after all.[45] When one excludes cushier (and much maligned) public sector jobs, moreover, this median drops all the way to JD 300.[46] This being the case, simple arithmetic can establish that 60 JD/month constitutes the margin keeping a median working family above a (structurally deflated) poverty line. Combined with the fact that just 1.1% of those questioned under the JLMPS reported having any savings, the fundamental (and existential) precarity threatening even those families fortunate enough to have an employed member amongst their number—and fortunate to be outside *official* poverty—should be simple enough to appreciate.[47] To work, especially for the younger generations, is to work while poor, barely able to keep one's head above water.

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45 This does represent an increase from 2010's median figure of 319.

46 Disaggregating the distribution further, one would see that the median wage for younger wage earners (15-29 years-old), inclusive of public sector workers, was just 300 JD/month, and that the median wage for university graduates is just JD 400/month.

47 What is more, given that fiscal consolidation has resulted in a distinct and qualitative decline in public services—a reality of contemporary Jordanian life that has been amply documented by World Bank economists in the post-Arab Uprisings period—the amount of expendable income that is needed for a household to secure education for its young, healthcare for its old, etc., is only increasing at the time of writing. By virtue of the fact that households must therefore devote increasing (and increasingly scarce) resources to children's education, to out of pocket health costs, to transportation, and to food and utilities—to both social reproduction and the mere avoidance of downward mobility—, the poverty wages just detailed are made even more incommensurate with the realities of the present day.

Table A1. Median and mean real wages in Jordan, ages 15-64, 2010 and 2016

	Median		Mean	
	2010	2016	2010	2016
Total	319	340	402	370
Gender				
Male	325	340	410	371
Female	313	350	365	364
Age group				
15-24	247	300	302	322
25-34	327	350	391	380
35-49	355	325	450	369
50-64	369	350	532	433
Region				
Middle	319	300	418	357
North	319	350	370	391
South	335	350	393	392
Educational attainment				
Illiterate	213	250	253	274
Read & Write	236	290	286	292
Basic Education	296	331	331	357
Secondary Educ.	315	350	376	366
Post-Secondary	355	350	417	382
University	414	400	544	463
Post-Graduate	512	500	780	628
Sector of activity				
Agriculture, forestry and fishing	177	250	276	271
Manufacturing	296	315	362	367
Construction	296	260	359	336
Retail trade; motor vehicle repair	251	300	330	344
Transportation and storage	355	350	400	405
Accommodation and food service	296	280	380	364
Financial and insurance activities	414	400	724	460
Professional, scientific, technical	473	450	703	504
Admin. and support service	473	400	648	527
Public admin., defense; social security	213	300	327	333
Education	348	380	407	411
Human health and social work	331	380	391	398
Other service activities	365	400	506	466
Activities of households as employers	284	250	354	268
Institutional sector				
Government	355	400	410	421
Public	473	350	637	398
Private	296	300	386	341
Other	296	235	394	226
International	532	400	633	439
Occupational Level				
High	248	300	302	314
Medium	306	300	358	344
Low	378	400	533	471
Total observations	4,824	5,309	4,824	5,309

Note: Categories with below 50 observations suppressed. Occupational Skills levels has been arranged as follows: High – managers, technicians, and associate professionals; Medium – clerical support, service and sales, and craft and trade workers; Low – agricultural, plant and machinery, and other elementary occupations.

*Table provided by Galal and Said (2018), p.18

Beyond being forced to labor for poverty wages, Jordanian capitalism also subjects its workers to high levels of informality. Though recent governments have invested considerable energy in attempts to formalize the labor market, 2016 survey data show that upwards of 37% of *Jordanian* workers are still lacking in basic social insurance. Accounting for non-Jordanians, the percentage of workers toiling informally jumps to 45.1%.[48]

If hundreds of thousands (if not millions) remain deprived of the benefits of social insurance, it is worth pointing out that the benefits of social insurance are also of a highly limited nature. Circumscribed to temporary unemployment assistance (capped at six months) and a pay-as-you-go pension system,49 2014's Social Security Law has left questions of health insurance[50], sick leave, and family benefits outside the purview of the state's interventionism. Without diminishing the gains that have been realized through formalization, then, one need recognize the parlous conditions that persist for the beneficiaries of this initiative as much as the enduring plight of those left languishing in informal work arrangements.[51]

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48 See: Galal and Said (2018), pp.6, 12.
What is worse, what gains have been made in formalization have been achieved through shifting formerly full-time workers into irregular employment, as I will later detail.

49 2014's Social Security Law also instituted a number of parametric changes to the pension system, changes that functioned so to restrict eligibility, increase contribution rates, and reduce benefits. Under the terms of this law, employees contribute 10% of their salary to the Social Security Corporation, while employers contribute 7% of that individual's salary.

It is worth noting that this law did establish mandatory maternity leave as the law of the land in the private sector; however, as there is a paucity of female workers employed in the private sector, this achievement is somewhat hollow in its actual social effects.

50 Only 30% of private sector workers in Jordan have access to employer provided health insurance arrangements (See: Assaad and Salemi, 2018, p.13)

51 Given the proclivity that MSME owners have demonstrated when it comes to stealing employees' social security contributions and skirting their own obligations, there are a number of other reasons for being suspicious of the 2014 legislation's achievements as well.

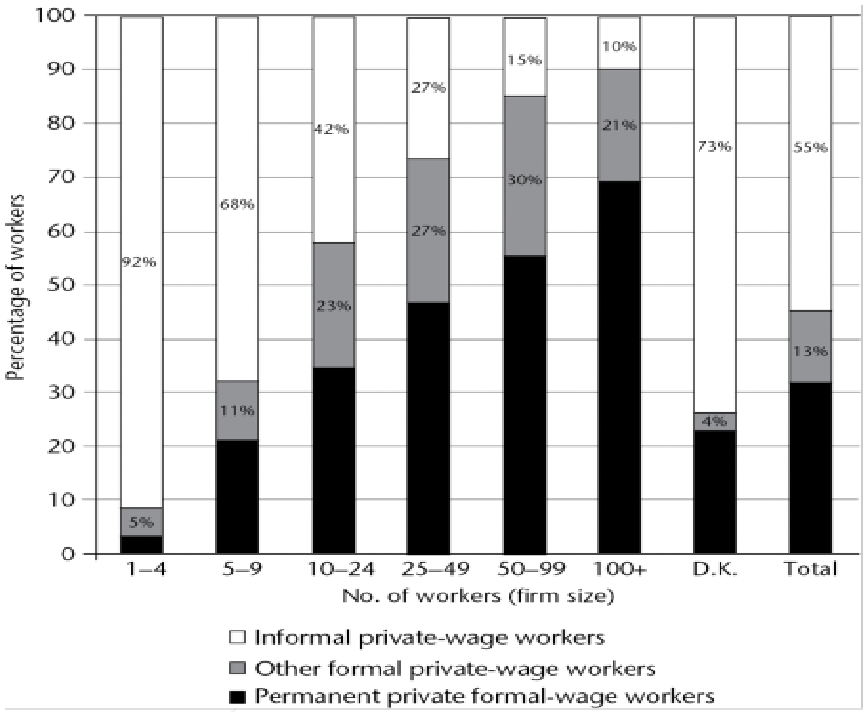

Figure 1.19 . Employment structure in private-wage employment by firm size, 2010

Note: D.K. = don't know.

Source: JLMPS (2010).

*Graph provided by Assaad (2014), p.27

A full auditing of formalization's social and economic effects would also require that one address a number of the negative externalities borne of the policy initiative. The most salient of these was to push increasing percentages of laborers into part-time and/or temporary contract

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For more on the history of machinations with social security, see: Hani Hourani, *The Jordanian Labour Movement,* Report: Friedrich Ebert Stiftung (Amman, 2002), p.66.

work arrangements.[52] This irregularization (or temporarization) of work has afflicted both formal and informal sectors of the labor market at increasing rates over the past ten years. Regarding the formal sector—inclusive of those working in both a public and private capacity—, the percentage of laborers working under a permanent contract declined from 57% in 2010 to 52% in 2016. As for the informal sector, where just 6% of workers had been subjected to irregular employment arrangements as of 2010, by 2016, that percentage had climbed all the way to 31%.[53] For far too many, then, the efforts of the government in recent years—and the passage of 2014's Social Security Law in particular—did not precipitate a transition from regular, informal work to regular, formal work. It did not even precipitate a transition into *irregular,* formal work.

[52] These outcomes are a function of flexibilization's centrality to the larger formalization initiative. The basic idea was that by affording employers greater discretion when it comes to hiring and firing, such employers would in turn prove more willing extend proper contracts and social insurance to their employees. The reality, however, has been much different. The moderate gains that were eventually made in formalizing the labor market—particularly following the passage of 2014's Social Security Law—were primarily achieved by subjecting workers to a new form of vulnerability: irregularity.

[53] See: Assaad and Salemi (2018), pp.11-12.
Increased irregularity prevails in the modern labor market regardless of the size of the firm employing a worker. In fact, large firms (those employing more than 100 people) are embracing these part-timing practices as eagerly as anyone else.

Rather, it pushed increasing percentages of society's most vulnerable[54] into either irregular, informal work[55] or unemployment.[56]

By any conceivable metric, then, it would seem that contemporary Jordanian capitalism is expiring before our very eyes. Profit rates are lacking, capital accumulation is largely paralyzed, millions languish in or around poverty, and multiple generations have come to know nothing but downward mobility and constant precarity. In view of both history and social theory, it would therefore seem plausible to suggest that the wider social formation now sits on the most combustible of powder kegs—one needing but the slightest of sparks in order to set off a conflagration that might swallow the Kingdom whole. And yet, while Jordan has seen its fair share

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54 Regarding the point on society's most vulnerable, individuals located within the three quintiles of Jordan's wealth distribution are disproportionally represented amongst the irregular, informal work force.

55 In 2010, 19% of the *Jordanian* workforce was working informally though with regular, full-time hours. In 2016, this number of *informal regulars* dropped to 13%. And yet, this 6% decline did not translate into a 6% gain in the formal sector (whether as *regulars* or *irregulars*). Rather, it was absorbed by greater percentages of Jordanian laborers falling into informal, irregular work: the percentage of workers laboring under such conditions increased from a mere 1% in 2010 to 6% in 2016 (Assaad and Salemi, 2018, p.7).

Given both the costs of formalization and the scarcity of benefits it has generated to date, it can hardly be said to have been a boon for Jordanian workers.

56 The connection between formalization and unemployment (especially for Jordanian citizens) is a function of 2014's social security reforms not obliging domestic employers to make social security payments for foreign laborers. By consequence of these exemptions, Jordan's poor, low-skill workers were made comparatively less competitive within the informal labor market, as hiring them would require that an employer make contributions to the Social Security Corporation.

Following from this, a kind of substitution effect occurred: MSMEs in particular discarded the now legally protected Jordanian worker so to replace him/her with an unprotected individual from the country's large stock of surplus, foreign labor. No longer able to find regular, informal work, many of these Jordanians dropped out of the labor market altogether.

See: Ibrahim Alharawin and Irene Selwaness, "The Evolution of Social Security in Jordan's Labor Market: a Critical Comparison Between pre and post-2010 Social Security Reform", *Working Paper no.1185* (2018), Economic Research Forum, p.4

of protesting, such a conflagration appears a ways off. Somehow, some way, this economy (and its autocratic overseer) manages to consistently endure within the conditions of its own demise.

Clearly, there is something conceptually and theoretically elusive about the Jordanian political economy, about a Janus faced formation whose very solidity implies a fragility, one whose resilience is characterized not by self-correction, creative destruction or systemic learning, but of stasis *in crisis*. Simultaneously confounding the theoretical suppositions anchoring Schumpeterian, neoclassical, and Marxist analysis, it is a perversity at once beguiling, illuminating, particular, and representative.

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This monograph will attempt to answer *why* Jordanian capitalism consistently generates such crisis conditions as well as *how* it manages to endure within such conditions. In so doing, it will probe what happens when stability is achieved amidst *and* through mass deprivation, and explore what Jordanian capitalism might teach us more about economics and politics on the global periphery.

At the level of widest abstraction, my expositions on the *why* of Jordanian capitalism's terminal, self-reproducing crises will center upon the dialectical interplay of two independent though deeply connected variables: (i) the neoliberal/autocratic modality of economic governance and development policymaking that has been adopted by the Hashemite regime (and its political elite) over the previous twenty years; and (ii) the profit and rent seeking behaviors of an elite fraction of a (transnational) capitalist class. Additionally, I will posit that the interplay of these variables—and the outcomes such an interplay produces—is itself structured by (a) historical endowments (social, political, and economic in character); (b) conditions and imperatives bestowed by global peripherality/external dependency; and (c) processes directly related to authoritarian renewal.[57]

Using rigorous process tracing, statistical analysis, and thick description, my analysis will more specifically disassemble why this coalescence of policy, peripherality, profit seeking behaviors, and authoritarian renewal consolidates an economy biased towards speculative non-tradables, import consumption, and the built environment, and explain why theses biases prefigure the high volatility, low productivity, low growth, and deficient job creation detailed earlier. In deconstructing how this capitalism institutionalizes systems of power and distribution that are elite-dominated, externally-dependent, and acutely punitive of the lower and middle classes, this analysis will also elucidate the provenance of Jordan's persistent (if contained) social strife.

I will attribute this capitalism's surprising endurance—as well as the endurance of its Hashemite minders—, meanwhile, to a constellation of institutional bulwarks that I collectively

[57] Before proceeding, I should point out that the distinction being drawn between proximate and structural causality is of an analytical rather than substantive nature. Nevertheless, it is a distinction that must be emphasized for two primary reasons. First, it is needed to preserve the agency of contemporary actors and to avoid a regression into one reductionist-deterministic formulation or another. Second, it is in needed in view of the challenges that counterfactual inference could otherwise pose to my arguments. Specifically, to the extent that the regime's reproduction of power need not have required the specific modality of economic governance we have witnessed in Jordan, it would hold that the latter ought thereby be conceived as independent of the former. Similarly, to the extent that the experience of peripherality or the endowments of history did not singularly require the behaviors we have witnessed on the part of the capitalist class, the appropriateness of *pure,* structural argumentation would be again invalidated. In so much as historical and comparative analyses are sufficient to establish the plausibility of both these counterfactual propositions—and as I am keen not to unduly deprive actors of their agency—, this distinction must thereby be retained.

refer to as its *social structure of accumulation* (or SSA).[58] Detailing the precise mechanisms through which these bulwarks manage to satisfy elite, high-leveraged patrons (through facilitating upward and outward redistributions of wealth), secure the solvency of the state, and police, degrade, and dissuade the sources of resistance that are thereby engendered, I will furnish a single explanation capable of unlocking this Jordanian political economy's surprising (albeit indelibly fragile) stability. A case study in the contemporary disembedding of a peripheral economy, it is my hope that by resolving the logic through which capital's prospects on the East Bank are simultaneously bolstered and compromised, I can help grow our knowledge of *actually existing neoliberalisms* in the 21st century.

Research is, of course, aplenty when it comes to the Middle East's recent economic history, particularly when it comes to the region's relationships with the international financial institutions, *liberalization* (broadly defined), underdevelopment, and popular uprisings.[59] A

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[58] As I will detail in the next chapter, these bulwarks include institutionalized practices of governance, state intervention in the economy, market *making* and market regulation, norm making and subjectification, social control, and a particular modality of political-economic relations vis-a-vis the outside world.

[59] See: Jane Harrigan and Hamed El-Said. "The economic impact of IMF and World Bank programs in the Middle East and North Africa: A case study of Jordan, Egypt, Morocco and Tunisia, 1983-2004." *Review of Middle East Economics and Finance (*6.2), 2010: 1-25.
Jane Harrigan, and Hamed El-Said. *Aid and power in the Arab World: IMF and World Bank policy-based lending in the Middle East and North Africa*. Springer, 2009.
Ray Bush, *Poverty and neoliberalism: Persistence and reproduction in the global South*. Pluto Press, 2007.
Ray Bush, "Poverty and Neo-Liberal Bias in the Middle East and North Africa." *Development and Change* 35.4 (2004): 673-695.
Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East.* Haymarket Books, 2013.
Gilbert Achcar, *The People Want: A Radical Exploration of the Arab Uprising.* University of California Press, 2013.
Koenraad Bogaert, "Contextualizing the Arab revolts: the politics behind three decades of neoliberalism in the Arab world", *Middle East Critique* (22:3), pp.213-234.
Ali Kadri, *Arab Development Denied: Dynamics of Accumulation by Wars of Encroachment.* Anthem Press, 2014.
Clement Moore Henry and Robert Springborg, *Globalization and the Politics of Development in the Middle East (Volume 1).* Cambridge University Press, 2010.

wonderful literature examining the intersection of authoritarianism and Arab capitalisms has also emerged over the past twenty years.60

As for the state of the field when it comes to contemporary Jordanian capitalism in particular, here too will one find an abundance of insightful work.[61] Regarding wider matters of political economy, Timothy Piro's *The Political Economy of Market Reform in Jordan,* published in 1998, provides a well detailed if somewhat sociologically naive overview of the state role in the economy across the tenure of King Hussein. Bringing us closer to the present day, Oliver Schlumberger's doctoral dissertation (*Patrimonial Capitalism: Economic Reform and Economic Order in the Arab World)* deconstructs not only how secondary oil rents financed the full flowering of Hashemite neopatrimonialism in the post-1973 period, but also how that neopatrimonialism evolved under the conditions of economic opening and liberalization. Focused on a similar period, Warwick Knowles' doctoral dissertation (*Changing Patterns of Rent: State, Private sector and Donors in Jordan, 1989-2000)* probes how state-capital relations shifted in Jordan under the exigencies of economic opening and IFI interventionism. Positing that state and capital are bound (almost ontologically so) by a shared tendency towards rent-seeking, Knowles

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[60] See: Steven Heydemann. *Networks of privilege in the Middle East: the politics of economic reform revisited*. Springer, 2004.
Steven Juan King, *The New Authoritarianism in the Middle East and North Africa.* Indiana University Press, 2009.
Cemal Burak Tansel (ed.), *States of Discipline: Authoritarian Neoliberalism and the Contested Reproduction of Capitalist Order.* Pickering & Chatto Publishers, 2017.
Eberhard Kienle, *Politics from Above, Politics from Below: the Middle East in the Age of Economic Reform*. Saqi, London, 2003.
Alan Richards, Melani Cammett, John Waterbury, and Ishac Diwan (ed.). *A Political Economy of the Middle East*. Westview Press, 2013.

[61] Regarding the classics in this genre, one need begin with Michael Mazur's *Economic Growth and Development in Jordan* and Adolf Konikoff's *Transjordan: an Economic Survey*. While each work deals exclusively with the early post-colonial period, they are immensely useful resources in when it comes to the tracing of long-term trends.

keys in on how each actor sought to secure its rents as the wider political economy moved from what he conceptualized as the *induced state rentierism* of the post-1973 years to *the market dominated rentierism* which would be consolidated in the last decade of the twentieth century.

Moore, Greenwood, and Blue Carroll have also produced insightful works examining the business-state relationship in Jordan, though they approach their subject matter from a more classically institutionalist perspective, and with a narrower, 21st century focus.[62] Elsewhere, a number of excellent works have specifically unwound the international political economy of regime survival and budget security as well.[63] If slightly afield from matters of capital *proper,* these analyses nevertheless proffer critical insights into one of the central actors in the Jordanian economy (the state) and, coextensively, into the nature of the fiscal sociology that is produced by that actor. Concerned with the consequences more than provenance of market reform, meanwhile, Andoni, Schwedler, and Ryan have each process traced how economic reform precipitates resistance and popular dissent—and gets reoriented in the process.[64]

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62 See: Pete Moore, *Doing Business in the Middle East: Politics and Economic Crisis in Jordan and Kuwait.* Cambridge University Press, 2004.
Pete Moore, "What makes successful business lobbies? Business associations and the rentier state in Jordan and Kuwait, *Comparative Politics* (33:2), 2001.
Scott Greenwood, *Business regime loyalties in the Arab world: Jordan and Morocco in comparative perspective.* Doctoral dissertation (University of Michigan, 1998).
Scott Greenwood, "Bad for business? Entrepreneurs and democracy in the Arab world", *Comparative Political Studies (*41:6), 2007.
Katherine Blue Carroll, *Business as Usual? Economic Reform in Jordan.* Lexington Books, 2003.

63 Curtis Ryan, *Inter-Arab Alliances: Regime Security and Jordanian Foreign Policy.* University of Florida Press, 2009.
Laurie Brand, *Jordan's Inter-Arab Relations: The Political Economy of Alliance Making.* Columbia University Press, 1994.

64 See: Lamis Andoni and Jillian Schwedler, "Bread riots in Jordan", *Middle East Report* (1996).
Jillian Schwedler, "The political geography of protest in neoliberal Jordan", *Middle East Critique (*21:3), 2012.
Curtis Ryan, *Jordan and the Arab Uprisings: Regime Survival and Politics beyond the State.* Columbia University Press, 2018.
Curtis Ryan, "Identity politics, reform, and protest in Jordan", *Studies in Ethnicity and Nationalism* (11:3), 2011.

In more recent years, finally, a handful of anthropologists and geographers have also cast a light on the micro-complexities of Jordan's neoliberal authoritarianism. Most representative and most exemplary amongst these works are the publications of Debruyne and Kreitmeyr.[65] Foregrounding a number of Abdullah-era mega real estate development project, Debruyne's 2014 dissertation unwinds how neoliberal urban renewal not only facilitates cronyist rent seeking but reshapes the structure and orientation of the state itself as well.[66] With a project centered on the ideological legitimation of state and capital, Kreitmeyr's 2016 dissertation scrutinizes how the Palace, transnational allies, and domestic business elites promote social entrepreneurship in order to advance the neoliberal project in Jordan, and with it, their class interests.[67] This sociologically rigorous account of ideology, in conjunction with Paul Esber's and Mayssoun Sukarieh's respective examination of (local and international) efforts aimed at the interpellation of dutiful neoliberal citizen-subjects in the Hashemite Kingdom of Jordan, offers wonderful insights into one of the key cogs in capitalism's contemporary institutionalization in Jordan.[68]

Curtis Ryan, "Peace, bread and riots: Jordan and the International Monetary Fund", *Middle East Policy (*6:2), 1998.

65 In addition to these two, I should also mention Jose Ciro Martinez. His "Leavening Neoliberalization's Uneven Pathways: Bread, Governance, and Political Rationalities in the Hashemite Kingdom of Jordan" (Mediterranean *Politics,* 22:4, 2017), certainly belongs to this trend of scholarship.

66 Pascal Debruyne, *Spatial Rearticulations of Statehood: Jordan's Geographies of Power Under Globalization.* Doctoral dissertation, Ghent University (2013).

67 Nadine Kreitmeyr, *Neoliberal Networks and Authoritarian Renewal: A Diverse Case Study of Egypt, Jordan, and Morocco.* Doctoral dissertation, Eberhard Karls Universitat Tubingen (2016).

68 See: Paul Esber, *Who are the Jordanians? The Citizen-Subjects of Abdullah II.* Doctoral dissertation, University of Sydney (2018).
Mayssoun Sukarieh, "The hope crusades: culturalism and reform in the Arab world", *Political and Legal Anthropology Review* (35:1), 2012.

As will soon become clear, each of these publications—as well as a great many others—have massively influenced this monograph. This fact not withstanding, one should not imply that these works are therefore flawless, or that they have not left considerable lacunae within the field.

To begin, though many scholars of Jordan have been keen to assert that economic liberalization *has* failed, or that contemporary capitalism is socially compromised, they have proven less eager or adept in explaining *why* this is the case. Analytically speaking, many such works can be shown to overstate the magnitude of the reforms that have actually been implemented; to overinflate and/or underexplain the agency and efficacy of institutions like the International Monetary Fund and World Bank; and to misattribute the causal and constitutive effects of policies like deregulation, privatization, and current account liberalization. In so doing, these works have wound up distorting and/or neglecting many of the key processes and mechanisms implicated in the country's long-running (and wide-ranging) economic maladies. When it comes to more abstract theorization, moreover, by ultimately reducing the source of Jordan's economic distress to an underspecified, fuzzily conceptualized entity frequently called neoliberalism, these same works muddy the field in obscurities, leaving us without the rigor and specificity needed to truly advance knowledge.

One need also acknowledge that the *political* tends to be assigned a kind of ontological primacy in many studies on the Jordanian political economy, and that this assignment necessarily introduces a host of analytical problems. Most simply put, by rendering the dynamics of the economy itself (and the actors contained therein) as somewhat derivative if not epiphenomenal —as outcomes ultimately produced by processes of authoritarian renewal and regime security, principally—, these analyses overlook/oversimplify the competing imperatives, layered complexities, and dialectical interactions that define Jordanian capitalism. As it can (and will) be demonstrated that contemporary underdevelopment and economic crisis do not reduce to processes of authoritarian renewal alone, this *overlooking/oversimplification* constitutes a significant misapprehension of the phenomena under examination. What is more, to the extent that authoritarian renewal in and of itself *need* not engender such outcomes—to the extent, in other words, that an alternative present can be conceived within which Hashemite authoritarianism not only produces a prosperous economy but consolidates its political power through the delivery of prosperity, as either a review of Jordan's own history or an evaluation of similarly peripheral authoritarian regimes today would be sufficient to establish—, it also constitutes a failure of theorization.

Finally, it need be pointed out that many studies of the Jordanian economy and/or political economy are also compromised, at least in part, by their acceptance and imposition of two separations. The first separation divides state from capital. Such a methodological and analytical division functions to assign each actor/domain an inappropriate degree of autonomy and independence, in my estimations, and demonstrates an ignorance of what Mitchell long ago determined: that the line between state and capital in the Middle East (and in Jordan) is not a "perimeter of an intrinsic entity, which can be thought of as a free-standing object or actor" but rather "a line drawn internally, *within* the network of institutional mechanisms through which a certain social and political order is maintained."[69] Even if an analyst demonstrated an appropriate

[69] Timothy Mitchell, "The limits of the state: beyond statist approaches and their critics", *American Political Science Review* (85:1), 1991, p.90.

concern of the *layered complexities* discussed on the previous page, then, were they to miss the internality binding and co-constituting state and capital in Jordan, they would have missed one of the central dynamics in these complexities.[70]

The second separation, meanwhile, divides the domestic economy from the regional and international economies that it embeds within. Imposing another border where it does not functionally exist, this form of methodological nationalism forces analysts to wrangle with how external processes and variables act *upon* Jordan rather than deal with how they act *within* Jordan. As everything from the country's class relations to its development policymaking have been transnationalized at this stage, this bifurcation of the *internal* from the *external* is necessarily problematic as well.

As for the exceptions to these critiques, which it should be said, are not few in number, it nevertheless holds that none amongst them has grappled with the totality of the problematique that is at the heart of this dissertation. Indeed, if many scholars have rightly depicted and explained the crisis conditions that have prevailed on and off in Jordan since 1989, it nevertheless holds that none of these scholars have articulated a thesis capable of explained how the country's political and economic system could have reproduced and survived such conditions all these years. None, moreover, have scrutinized this economy with the same comprehensiveness as this work shall, a work traversing not only political and economic processes but social, ideological, external, and historical ones as well. As one of the first to use social structure of accumulation

[70] This internality is itself, of course, a function of history (and of intersecting processes of class and state formation). It will be brought into the starkest of reliefs through a review the class composition of the political elite empowered under Abdullah, a review establishing that the elite fraction of the capitalist class has largely controlled the powers of the state for the past twenty years.

theory for the purposes of studying an Arab economy, I believe this monograph will therefore constitute a significant and unique contribution to the field.[71]

In addition, though I primarily penned this work with a view towards filling gaps in the fields of Jordan studies and Middle East Studies more loosely defined, that ought not suggest that my analysis therefore has little to offer beyond these regional borders. I am most excited, in fact, about what this case study can add to the field of comparative capitalism. Despite taking a number of enormous leaps forward in the years following Soskice and Hall's seminal *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage,* comparative capitalism as a field remains plagued by its western-centrism at the time of writing. This being the case, while the recent integration of more heterodox thinking and analysis may represent profound enhancements upon the conceptual, classificatory, methodological, and theoretical foundations first laid down by the two scholars listed above, such enhancements have necessarily been limited by the fact that they have been induced primarily in reference to *developed, mature* economies.

Certainly, a few scholars of Latin America have been able to push these limits through first introducing in-depth case studies from their region of expertise, and then amending comparative capitalism's analytical framework on the basis of their findings. Unfortunately, however, the same cannot be said for researchers of the Middle East. To date, in fact, no single work has been published that analyzed a regional economy according to the terms developed in the field of

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71 The one exception to this is Karen Pfeifer. She contributed a wonderful chapter (a comparative analysis of MENA economies) to the edited volume *Contemporary Capitalism and its Crises: Social Structure of Accumulation Theory for the 21st Century.*

comparative capitalism. By consequence, it would be no exaggeration to to say that Arab capitalisms are, for lack of a better term, *outside* the purview of one of political economy's most thriving subfields of research.

With this monograph, I hope to bring this exclusion to an end, using analytical tools developed by these comparativists to generate unique insights into Jordanian capitalism as much as I use findings from this case study to refine those tools themselves. Foregrounding the effects of peripherality and history, detailing how profit seeking pervades politics just as politics pervades profit seeking, and disassembling how structural and proximate processes interact in generating (and stabilizing) Jordan's underdevelopment, I hope this monograph will help reorient the study of Arab and *southern* capitalisms into new and productive directions. Providing a roadmap for those seeking ways to more thoroughly excavate the logic of *actually existing neoliberalism* along the global periphery, I hope it may also offer a significant addition to the field of critical development studies too.

CHAPTER TWO

Social structure of accumulation theory and the road ahead

In this chapter, I will first detail the theoretical and methodological principles that will orient my analysis of Jordanian capitalism. As many of these principles are derived from Social Structure of Accumulation (SSA) theory, I will begin by providing a brief introduction to SSA's primary tenets, propositions, and thinkers. Henceforth, I will delineate how I will be amending the SSA framework—through eclectic and wide-ranging borrowings—so to better facilitate the thick description, process tracing, and abductive generalization that is at the heart of this case study. Next, I will proceed to a chapter overview. Here, I will specify the particular methodological choices structuring each chapter's analysis as well as the basic theses that the reader can expect to be advanced therein.

Social Structure of Accumulation Theory

Inductively constructed from observations of *advanced* post-war capitalisms, Social Structure of Accumulation Theory was first articulated in the late 1970s and early 1980s. Its early pioneers (namely David Gordon, Richard Edwards, and Michael Reich) primarily sought to resolve what they determined to be a confounding fact of these capitalisms' existence: namely, that they had moved towards neither prosperous stasis nor revolutionary rupture.[72] Seeking a formulation

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72 See: Terrence McDonough, Michael Reich, and David M. Kotz, eds., *Contemporary Capitalism and its Crises: Social Structure of Accumulation Theory for the 21st Century.* Cambridge University Press, 2010, p.1.

that might simultaneously correct neoclassical economics and its saccharine assumptions of equilibria as well as historical materialism and its assumptions of inevitable transformation, SSA ultimately remained within the wider Marxist fold, though did so while carving out new conceptual and theoretical ground for itself.[73]

SSA's Marxist inheritances would be most apparent in what might be called its *ontology* of capitalism.[74] Indeed, not only did SSA ascribe crisis tendencies to capitalist accumulation in the final instance; it also explained these tendencies through reference to many of Marx's classic presuppositions.[75] Nevertheless, if accepting crisis as both immanent to and constitutive of capitalism, SSA theorists did not take the next step so as to invest it (or social conflict) with any degree of immediacy or certitude. Having grafted a number of institutionalist premises onto their ontological core, they would instead assert that mature capitalisms contained within them a

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73 Of course, they were not the only Marxists moving against deterministic analyses. Only the most economistic and dogmatic were still clinging to presuppositions of immanent proletarian revolution by the time they were writing.

74 As McDonough et al put it, blockages to accumulation will inevitably arise under capitalism due to "intensifying class conflict, increasing competition in product and resource markets, the saturation of markets, or any number of other causes, some of which are general tendencies of capitalism, while others are specific to individual SSAs" (*Contemporary Capitalism…,* p.3).

Regarding ontological propositions, it is worth noting that SSA theorists also borrowed heavily from Keynes, particularly in explaining the nature of investment under capitalism. As McDonough, Reich, and Kotz write in their 2010 edited volume, investment under capitalism is "subject to large fluctuations due to changing expectations and periodic imbalances between the financial and real economies, and prone to self-reinforcing periods of stagnation and depression" (p.2). The salience they assign to "changing expectations"--and the extent to which they appreciate how collective expectations (even if hysterical) can alter the future of an economy—has clear echoes in Keynes' writings on the *animal spirits.*

75 Specifically, Gordon, Richards and Reich each accepted that capital necessary engenders social conflict, oversupply, declining rates of profit, and destructive forms of competition, and that each of these outcomes eventually generates blockages in the very processes it requires for its own reproduction.

constellation of mechanisms capable of mitigating and/or managing the movement toward self-destruction (if only temporarily). With their syncretism also integrating Sweezy and Baran's appreciation for the longue duree of accumulation and recession, these scholars wound up furnishing a unified theory with the capacity to explain how boom as much as bust come to be stabilized under capitalist economies, societies, and polities.[76]

For SSA theory, the causal and constitutive logic of stabilization (whether in boom or bust times) was found in the functional coherence of a wider institutional formation containing political, economic, social, ideological, and external components. Such an institutional formation was to be conceptualized as an economy's social structure of accumulation.[77] As relates to the

76 SSA's early theorists were influenced by a wide array of intellectual peers and forebearers. Their biggest influences were Paul Baran, Paul Sweezy, Ernest Mandel, Emmanuel Wallerstein, Antonio Gramsci, Michel Aglietta, and Robert Boyer.
Of note, early theoretical writings positioned the labor process in particular as central to all of this, positioning capital's long term profit rate and the viability of the wider social formation as a function of an SSA's success in (alternatively) regulating, segmenting, disciplining, and/or co-opting distinct groups of workers.
See: David Gordon, Richard Edwards, and Michael Reich, *Segmented Work, Divided Workers: The Historical Transformation of Labor in the United States.* Cambridge University Press (1982).

For clarity's sake, it is worth emphasizing that SSA most notably marked new territory not merely in arguing that these self-destructive tendencies can be contained, blunted, and attenuated, at least temporarily, a proposition that was relatively uncontroversial amongst all but the most dogmatic of historical materialists by the time they wrote it. Rather it, it was by proposing that this stabilization was a function of an integrated network of institutional controls, in providing a methodological and analytical framework capable of testing and conceptualizing how such controls worked, and in adopting the French Regulation School's concern with the *long duree* of accumulation (and stagnation).

77 Demonstrating the same kind of theoretical, analytical, and ideological diversity as the Varieties of Capitalism school of political economy does, it should be said that scholars of SSA have disagreed on the basic *function* of an SSA. Operating from a Gramscian or Marxian perspective, Bowles, Gordon, and Weisskopff posited that any such institutional embedding of capitalism constituted an enhancement of capitalist power. They even went on to suggest that the profit rate itself is a direct function of the relative power that the capitalist class holds over other economic actors. Others working within the SSA framework have argued that profits and profitability can be secured through various institutional permutations, some of which might be corporatist and balanced in the distribution of class power, others of which might might err towards the liberal market, class dominant ideal type. This being the case, the consolidation of an integrated SSA *can* but need not imply the enhancement of capitalist class power.

boom times, scholars posited that an SSA's institutional coherence—exemplified by the Fordist and post-war Keynesian modalities of industrial capitalism, for instance—inaugurates and consolidates a system of labor relations, intracapital relations, and state-capital relations that buoys investment expectations, and, with them, capital accumulation. In the early years, moreover, they contended that the stability thereby consolidated in the accumulation process would facilitate *rapid* growth and *high* profit rates in particular.78

Flip side of this same coin, these theorists recognized that the stabilizing properties that they just attributed to an SSA's institutional integration would hold not only in the good times, but in the bad times as well. Sequentially (and derived from the theory's Marxist ontology), they first recognized that a disruption, whether endogenous or exogenous in its nature, would eventually be introduced to the accumulation process, and that such a disruption would necessarily precipitate a collapse in profit rates. Within the material conditions thereby established, they proposed that each institutional domain of an SSA would be likely to come in for inquisition and/or challenge. By consequence of an SSA's integrated nature, moreover, they also proposed

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See: Samuel Bowles, David Gordon, and Thomas Weisskopf, "Power and profits: the social structure of accumulation and the profitability of the postwar US economy", *Review of Radical Political Economics* (18:2), 1986.
David Gordon, Thomas Weisskopf, and Samuel Bowles, "Power, Accumulation, and Crisis", *Radical Political Economy: Explorations in Alternative Economic Analysis.*

[78] Having centered their focus on the developed capitalisms of the global north between the nineteenth and mid-twentieth centuries, this generation's assumptions of rapid and high growth rates (during the good times) was fully reasonable. Extended booms and extended busts characterized the historical movement from the laissez-faire capitalism of the late 19th century to the monopoly capitalism of the early 20th century to the post-war Keynesian iteration, after all. It was only with the emergent neoliberal capitalism that consolidated in the wake of stagflation that capitalist stability became disjointed from rapid capital accumulation.

That said, following the stagflation crises of the late 1970s-early 1980s, this assumption of rapid growth would be ditched, as I will detail.

that the onset of a crisis within any one of these institutional domains would be liable to "reverberate across the entire structure."79 These cascading reverberations would further unsettle the investment environment, of course, entrenching, deepening, and elongating the economy's ongoing recession or contraction in the process.

Once a recession or contraction has thusly commenced, SSA theory posits that a long and slow contest should be expected to follow. Herein, different different actors, classes, and social forces will struggle to establish and control a new institutional formation that might break the economy from its stagnation so to facilitate a new period of accumulation and high profits.80 Upon the consolidation of such a formation, the entire cycle—long-running stability/high growth→disruption in the accumulation process→long running-instability/recession—will repeat again.

Operationally speaking, SSA theory-based case studies of *actually existing capitalisms* proceeded by first disaggregating a national formation into five institutional domains: (1) the political, (2) the economic, (3) the social, (4) the ideological, and (5) the external.[81] Broken down in this manner, they then evaluated the *content* of each such domain as well as the system of relationships through which one was bound to the others. Methodologically, study of the first of

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79 David Gordon, "Stages of accumulation and long economic cycles", in Terence Hopkins and Immanuel Wallerstein eds. *Processes of the World System.* Sage Publishers, p.17.

80 McDonough, Reich, and Kotz (2010), p.11.

81 SSA holds that each institutional domain retains its autonomy vis-a-vis the others and is oriented by its own particular logic, incentives, and interests. In addition, it posits that a coherent integration of all these institutional domains is required to buoy long-term investment expectations, establish social control through the mitigation of class conflict (or the normativization of one class' hegemony) and thereby stabilize the accumulation process (McDonough, Reich, and Kotz, p.3). In other words, "success" in any one domain of the SSA would be insufficient for stabilizing the economy.

these domains (the political) required a scholar to determine the prevailing nature of state-society and state-citizen relations in a given country as well as the nature of economic policymaking/governance. Study of the second domain (the economic) required a scholar to establish the role that the state played in the accumulation process as well as to determine the form of market competition—which was itself a function of a system of intracapital and state-capital relations—prevailing within a given formation. Analysis of the latter typically entailed mapping market structures and classifying the power dynamics governing the interactions between firms.[82] Study of the third institutional domain (the social) required a scholar to survey and classify what SSA theorists conceptualize as capital's (or the state's) prevailing strategies of *social control*. Typically, this entailed examining the nature of labor-capital relations, labor-state relations, labor-capital-state relations, and intralabor relations, amongst other lines of inquiry.[83] Less clearly conceptualized than the others, study of the fourth domain (ideology) required a scholar to establish the ideational formulations being developed and disseminated so to legitimate a national iteration of capitalism. Study of the fifth domain (the external), finally, required a scholar to establish what is called the *external articulation* of an SSA. This would be determined through evaluating how a national economy legally, institutionally, and materially *nests* within larger regional and international systems of production, trade, and finance.

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82 Regarding the latter, this traditionally meant determining whether capital interacts and organizes itself through monopolistic competition, oligopolistic competition, laissez-faire, deregulated cutthroat competition, or muted rivalry and restrained competition.

Combined, then, this section of an SSA analysis thereby establishes the character of state-capital and capital-capital relations in a given country.

83 The French Regulation School, from whom SSA Theory has borrowed extensively, conceptualizes this constellation of relations as "the determinants of the wage relation."

Explaining the Functional Coherence of an SSA

If it is the successful consolidation of an integrated SSA—where the structural integrity of the whole is "created and sustained by the interrelationships amongst its component parts"—, that unlocks the riddle of a capitalism's (temporary) stability, what can explain that consolidation in the first place? Is an SSA's structural integrity itself a black box? Does it have an identifiable point of origin? Does it have single or multiple causes?

In truth, there is no strong consensus amongst SSA theorists when it comes to many of these questions. Some, like McDonough, have attributed an SSA's structural integrity to a "unifying principle", a principle that itself can be traced back to either a single central institution (like New Deal corporatism) or to a single exogenous catalyst (like World War II). For McDonough, then, it is upon such a unifying foundation that an SSA's wider constellation of institutions coalesce embed, orient, and link. In contrast, Gordon has borrowed from Althusser's concept of overdetermination in explaining the provenance of institutional coherence. Defining any SSA as a "*composite* whole...whose intrinsic structure amounts to more than the sum of the individual institutional relationships", Gordon conceptualizes an SSA's structural integrity as an outcome that is functionalist, contingent, and multicausal in nature. Rather than invest an SSA with intentionality or assign it an identifiable steward in the final (or in this case, initial) instance, Gordon suggests it is better seen as a fortuitous collision of historical movements operating across different (and independent) institutional domains. In a sense, then, Gordon diverges considerably from McDonough by conceptualizing one of the fundamental tenets of SSA theory (its structural integrity) as something devoid of a big bang, self-awareness, internal hierarchy, or purposeful design.

In another, however, he diverges little from McDonough in that any disagreement over origins does not imply a disagreement over the function one sees an SSA serving (namely, to stabilize investment expectations, profit rates, and, thereby, capital accumulation). While perceiving the contents of the SSA blackbox in a manner different to McDonough, then, Gordon is in lock-step with the former when it comes to what an SSA does.

SSA and the Neoliberal Challenge

As was mentioned, the first generation of SSA theorists had assumed that a properly integrated SSA would generate not only stability in the good times, but both rapid growth and high profit rates. While these assumptions, derived from observations of post-war capitalisms within the global north, held true for a time, they were eventually empirically invalidated by epochal changes introduced in the late 1970s and early 1980s. Indeed, upon the consolidation of the neoliberal turn, it would be established that the rapid growth and high profit rates of the 1950s and 1960s reflected less a generalizable property of capitalism and something more akin to a historical accident.84

Like previous modalities of capitalism, the neoliberal iteration—ascendant across most of the world for nearly forty years now—did unambiguously manage to stabilize capital accumulation, at least for the period preceding the global financial crisis of 2007-2008. However, unlike its postwar comparators, it did so without also delivering significant growth. Breaking with recent trends, then, this was a version of stability that was achieved not through expansion but through an upward *redistribution* of wealth and income.85 Institutionalizing a system whereby the rents and gains accruing to capital constitute a growing share of total income—where the profit rate has been disarticulated from economic expansion[86]—, neoliberal

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[84] Nowhere was this better established than in Thomas Piketty's *Capital in the 21st Century* (Harvard University Press, 2013).

[85] Gerard Dumenil and Dominique Levy, *Capital Resurgent: Roots of the Neoliberal Revolution.* Harvard University Press (2004), p.24

[86] Martin Wolfson and David Kotz, "A reconceptualization of Social Structure of Accumulation Theory" in McDonough, Reich, and Kotz eds. *Contemporary Capitalism and its Crises: Social Structure of Accumulation Theory for 21st Century* (2010), p.79.

As for how stability could be achieved without growth, it should be noted that over the course of the 1990s and the early 2000s, the reallocation of wealth institutionalized under neoliberal SSA's did eventually facilitate a rising rate of profit in certain capitalist economies and in certain sections of the economy (finance and the built environment in particular). The wealth and income thereby accruing to the capitalist class through these profit rates would be more than sufficient for securing their buy-in (and investment) into the larger constellation of social, political, economic, and ideological institutions making this accrual possible. With this buy-in consummated and then continuously reaffirmed through this class' steady accretion of profits, this global SSA managed to stabilize capital accumulation and the wider international economy without ever generating high growth.

capitalisms have marked a return, in many ways, to premodern forms of social and economic organization.

In view of these changes in history, Wolfson and Kotz introduced considerable, *structural* revisions to SSA theory. The most salient of these concerned SSA theory's position on economic growth, as is succinctly expressed in the following passage:

> We understand an SSA to be a coherent institutional structure that supports capitalist profit- making and also provides a framework for the accumulation of capital, but it does not necessarily promote a "rapid" rate of capital accumulation. The historical link between the SSA theory and the theory of long swings should be severed.[87]

Where it had been assumed that the consolidation of a coherent institutional infrastructure would necessarily facilitate the realization of both high profit rates and rapid economic expansion, SSA theorists would henceforth proceed from the premise that robust growth was but one of the possible outcomes that might be generated upon the consolidation of such an infrastructure.

Beyond necessitating this major theoretical reformulation, the emergence of neoliberal capitalisms also forced SSA theory to undertake a number of slightly less seismic shifts, be they analytical, conceptual and methodological in nature.[88] To begin, the modality of global economic integration ushered in during the past forty years—one defined by the removal of capital controls, extensive trade liberalization, and the internationalization of regulatory (and legislative)

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[87] Wolfson and Kotz (2010), p.79

[88] It is worth noting that SSA theorists of this generation also discerned the transformative impact that financialization—and the segmentation of the capitalist class—was having on accumulation (Wolfson and Kotz, p.84). Moreover, they, like many other observers of the neoliberal era, also recognized this kind of segmentation to be especially particularly pronounced in those economics resembling the liberal market archetype.

powers[89]—made SSA theory's previous distinction between an economy's *internal* and *external* articulations increasingly problematic. To the extent that the global and the national were now co-constitutive domains, scholars of political economy (whether affiliated with SSA or not) would therefore need to rethink what a *national* case study ought to look like.

Leading SSA's rethinking here were William Robinson, Michael Wallace, and David Brady. So to account for the effects borne of economic opening and the *transnationalization* of capitalist classes that it facilitated, Robinson's revisions provided SSA with the conceptual and analytical space needed to better reflect the shifting (and transnational) nature of state-capital and capital-capital relations in the contemporary period.[90] With traces of Robert Cox and Kees van der Pijl pervading and enriching his analysis, Robinson's interventions were as important as anyone else's in retrofitting SSA for the 21st century. Wallace and Brady, meanwhile, introduced a number of revisions so to better equip SSA theory for making sense of the evolving nature of social control in the era of neoliberal globalization. Cognizant in particular of the disciplinary effects that liberalized capital movements, footloose investment, and the fragmentation of production chains now exerted on labor, their conceptual innovations provided tools essential for unlocking the dynamics of contemporary industrial relations. With *spatialization,* for example, they conceptualized how the threat of firm relocation now constitutes a premium mechanism of power and leverage, one rendering labor's necessarily localized forms of resistance increasingly

89 By this, I refer to the WTO's growing influence over the regulatory policies of its membership—influence extending well beyond matters of tariffs, etc.

90 William Robinson, *Transnational Conflicts: Central America, Social Change, and Globalization.* Verso (2003). William Robinson, *Latin America and Global Capitalism: A Critical Globalization Perspective.* Johns Hopkins University Press (2008).

inefficacious.[91] Forcing labor both to *compete* for capital and to operate under the rules and logic of such a competition, *spatialization* helps capture how the specter of capital flight can secure a highly hierarchical form of social peace/domination.

Revising SSA for the Jordanian Context

Not withstanding these scholars' wonderful contributions, as mentioned, I will be adding a number of my own revisions to the analytical frameworks that have been developed around SSA's theoretical presuppositions. Though I am confident in the explanatory power of social structure of accumulation theory more generally and in the conceptualizations on offer therein, I believe that a few tweaks to an otherwise SSA-grounded analysis will better equip me to generate unique, robust, and convincing insights as regards the endurance of Jordan's capitalism *of* crisis.

Hearkening back to a point touched on in the introduction, my revisions are primarily informed by the fact that in Jordan (as in much of the *developing* world), there exists no "sharp antinomy" between either state and capital or the national and the international.[92] Specific to the state-capital relationship, the absence of such an antinomy is a function of history and of

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91 Michael Wallace and David Brady, "Spatialization, foreign direct investment, and labor outcomes in the American states, 1978-1996, *Social Forces* (79:1), 2000, pp.67-105.
Michael Wallace and David Brady, "Globalization or Spatialization? The Worldwide Spatial Restructuring of the Labor Process" in McDonough, Reich, and Kotz eds. *Contemporary Capitalism and its Crises: Social Structures of Accumulation Theory for the 21st Century* (2010), pp.121-144.

92 For more on this point, see: Adam Hanieh, *Capitalism and Class in the Gulf Arab States.* Springer (2016), p.25.
In Jordan's case, the absence of such an antinomy is largely a function of both social/political history (i.e. processes of class and state formation) and of global peripherality.

interpenetrated processes of class and state formation in particular. As will be demonstrated, the Hashemite state was partially constituted as a tool of (capitalist) class power at the time of its inception. Inversely, the Jordanian capitalist class as much as the hierarchical lines of segmentation that empower its elite fraction were also largely consolidated through the patterned interventions of the state. By consequence of this co-constitutive relationship, there is no way of making sense of state intervention in the contemporary Jordanian economy without dealing with questions of class just as there is no way of dealing with today's corrupted market competition without dealing with the interests and prerogatives of the state (and the palace in particular). Similarly, one cannot grapple with the elite fraction's acute predisposition towards rent-seeking—one of the most salient and influential properties of the country's contemporary capitalism—without fully investigating the coimbrication of class and state formation in Jordan, both historically and in the present day.

Specific to the national-international relationship, the absence of such an antinomy is a function of the state and the economy's external dependency. Each of these properties themselves derive from the intersection of policymaking and global peripherality. Regardless of provenance, this two-fold dependency has shifted and internationalized everything from the national class structure to the composition of the state to the nature of the domestic market in Jordan.[93] As the international's *internality* vis-a-vis the national necessarily collapses the partition (analytical or otherwise) between the external and internal articulations of Jordan's social structure of

[93] Indicators of this dependency are apparent in the structure of Jordan's trade relations, in the share of the capital stock that is owned by non-nationals, and in the state's structural reliance upon development assistance, budgetary assistance, foreign aid, and humanitarian *states within the state.*

accumulation, dependency renders SSA's understated methodological nationalism—implicit in the assumption of a *separation* between those two articulations—non-viable for the purposes of this case study. Just as one cannot appraise elite rent-seeking in Jordan without considering the state, then, one cannot evaluate this capitalism's fiscal sociology, regime of social control, political institutionalization or trade performance without considering the international/transnational.

Operationally, I will amend SSA's analytical framework so to account for these *non-antinomies* in a number of ways. Regarding state-capital relations, I have included a far greater emphasis than is typical on historical process tracing so to establish the full empirical validity of the claims put forth on the previous page. In subsequently analyzing each individual domain of the country's contemporary SSA, I have also made space to untangle the web of personnel, policy, and institutions through which capital acts via the state (and vice versa). This space will be evinced in my analysis of Abdullah's political knighting of the business elite in the early 2000s as much as in my analysis of the ideological campaigns that have been launched in hopes of legitimating neoliberal capitalism, and the dialectical union of state and capital will be shown to constitute one of the most salient properties of Jordan's social structure of accumulation throughout.

I will incorporate dependency and peripherality in a similarly comprehensive fashion. In interrogating the political institutionalization of Jordanian capitalism, for instance, I will not only appraise how budgetary imperatives and creditor relations influence governance and economic policymaking; I will also document how external organizations and foreign consultants more directly pervade Jordan's legislative and regulatory processes. I will account for peripherality and dependency in my analyses of both market competition and of the state's contemporary modalities of economic intervention, meanwhile, by demonstrating how each institutional domain is effected (if not constituted) by the hegemony of Gulf capital. In discussing historical and contemporary social control strategies, I will connect peripherality to immigration patterns—patterns that will in turn be shown to exert a substantive disciplinary effect on domestic labor. Even in discussing ideology, I will show how peripherality and dependency reorient descriptive and normative claim making towards external audiences.

I believe these revisions will not only enhance the quality of this case Jordanian case study, but also provide a template of sorts for others aiming to better understand economic life in the global south more generally.

Research Methods and Theory Generation

At the most meta of levels, this single subject case study uses thick description in conjunction with the abductive theory of method to develop generalizable claims as relates to southern capitalisms, *actually existing neoliberalism,* and contemporary economic development. Less abstractly speaking, this entails first *detecting* and *documenting* a surprising empirical phenomenon—namely, Jordan's capitalism of crisis. Henceforth, abductive reasoning is practiced to *infer* the best explanation for such this particular phenomenon.[94] Then, through conversation

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94 "Best" is appraised based upon logical coherence and empirical validity.
For more on the abductive theory of method, see: Jo Reichertz, *Abduction: The Logic of Discovery of Grounded Theory.* Sage (2007).
Janice Morse, Phyllis Stern, Juliet Corbin, Barbara Bowers, Kathy Charmaz, and Adele Clarke, *Developing Grounded Theory: The Second Generation.* Routledge (2016).
Brian Haig, "An abductive theory of scientific method", *Psychological Methods* (10:4), 2005, pp.371-388

with a series of theoretical presuppositions drawn from readings of heterodox economics (including, of course, social structure of accumulation theory), I derive a series of propositions aimed at refining and/or augmenting knowledge on the topics listed above. These propositions will be discussed at length in my conclusion.

Operationally, my detection and documentation of the surprising empirical phenomenon at the heart of this analysis has relied upon a mixed-methods approach. Borrowing eclectically and widely, these quantitative and qualitative tools provided the dexterity and discernment that was required to ensure that I could gather and process the diversity of data inputs needed in order to analyze each of the institutional domains constituting Jordan's social structure of accumulation. Depending on the chapter and the particular problematique to which each chapter is anchored, I have specifically called upon the following research methods—often in combination with one another—drawn from across the fields of political science, sociology, economics, and history: (a) comprehensive literature review for the purpose of historical process tracing; (b) longitudinal statistical analysis for the purpose of evaluating national economic performance and attributing causal effects to specific policies; (c) content analysis for the purpose of evaluating legislation, policy initiatives, and trade agreements; (d) class analysis for the purposes of evaluating the social composition of economic and political power; (e) critical discourse for the purposes of evaluating political speech and ideological texts; (f) analysis of public opinion survey data for the purposes of evaluating ideology's effects; (g) longitudinal statistical analysis derived from firm-level data for the purposes of evaluating book values and market competition across time; (h) asset valuation and asset determination to evaluate the economic power of select family owned-conglomerates (for the purposes of evaluating market competition); (i) quantitative mapping of sectoral structures (for the purposes of evaluating market competition); and (j) statistical analysis of investor equity amongst publicly traded firms (for the purposes of evaluating market competition).

Together, I believe these methods have proven sufficient when it comes to both data extraction and data appraisal. By extension, I believe their selection was appropriate for and conducive of causal and constitutive inference generation as well.

Chapter Outlines

This dissertation will be divided into two sections. The first section is meant to provide the reader with an historical overview of Jordan's social organization and political economy. Informed by a comprehensive review of the scholarly literature, the three chapters comprising this section will map out the general contours of the country's social, political, and economic development from the middle of the 19th century through the death of King Hussein in 1999.

Proceeding sequentially, the first chapter in this section (Chapter 3: *A Preamble: Jordan before the Mandate, Jordan during the Mandate*) will sketch processes related to class and state formation and cover a period roughly stretching from 1850 through 1945. Chapter four (*Independent Jordan's First Social Structure of Accumulation: 1946-1973*) will take up with the post-independence years and provide a detailed examination of the social structure of accumulation that prevailed between 1946 and 1973. Chapter five (*Oil, Induced State Rentierism, and a New Social Structure of Accumulation: 1973-1986)* will address the social structure of accumulation that emerged in Jordan following the rupture of the OPEC oil embargo, a petrodollar-fueled formation that largely held firm up and through 1989. This chapter will also detail the collapse of this SSA as well as the resulting contraction turned recession. In delineating the inheritance that history bestowed upon King Abdullah, a young monarch who rather unexpectedly came to power at the turn of the millenium, it is my hope that section one will equip the reader with the context needed to make sense of the dynamics covered in section two.

Section two of this dissertation will focus on the contemporary Jordanian social structure of accumulation (1999-2019). Chapter six—*Politics, Policy Making, and the Institutionalization of Neoliberal Capitalism*—will trace contemporary capitalism's legislative and juridical origins to a series of autocratic-technocratic initiatives inaugurated by King Abdullah over the previous twenty years. Proceeding sequentially, this genealogy of the present will begin with the Economic Consultative Council. It will be shown that this palace appointed de facto parliament—stewarded by a coterie of economized elites collectively identified as *Generation Abdullah*[95]—unilaterally rewrote the majority of Jordan's industrial, investment, trade, labor and regulatory policies, authoring a new form of capitalism in the process.[96] Next, I will turn to the Aqaba Special Economic Zone Authority (ASEZA), another organizationally autonomous and intentionally insulated policymaking body that will be demonstrated to have had a similar effect within the

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95 Unlike the political elites empowered during Hussein's tenure, a network of men who, no matter their faults, could at least be said to have retained commitments and connections to a wider social base, I will demonstrate that Abdullah's kingsmen—drawn almost exclusively from a transnationally oriented fraction of the Jordanian bourgeoisie—have no such tethering. In contrast to their predecessors, I will also demonstrate that they have sought to advance an agenda that is explicitly antagonistic to the interests of Jordan's vast majority (including its bureaucrats). By consequence of these two facts and of the fact that these businessmen turned policy elites were not creatures of the state themselves, it will become clear why the implementation of their agenda required the establishment of a host of new parallel policy making institutions—i.e. the autocratic-technocratic initiatives just discussed.

96 As I will also show, many of the individuals empowered in these royally-aligned institutions would later be appointed to ministerial positions in government so to insure the policies they had drawn up were imposed in a suitable manner.

local context of southwest Jordan. Finally, I will close with an analysis of the Municipal Government of Amman under Omar Ma'ani's leadership, documenting how his autocratic-technocratic governance—aided and abetted by foreign consultants—further consolidated a capitalism biased towards low growth, elite-domination, and speculation in the built environment.97 Evincing how the palace has been disembedded from the state as much as the market has been disembedded from society, this chapter will reveal how the political very much invests contemporary Jordanian capitalism with the crisis tendencies that were described in the introduction to this monograph.

If chapter six covers the legislative and policy processes relevant to the establishment of neoliberal capitalism, chapter seven—*The Making and Management of the Economy: The State/Palace in the Economy*—will turn the lens onto the direct interventions that the state and palace have taken in the economy over the past twenty years, demonstrating how these interventions too function so to institutionalize and stabilize an elite-oriented, socially disembedded modality of capitalism. I will break this analysis into two subsections. The first will focus in on what I will conceptualize as the state's *mass-oriented* interventions. Herein, I will foreground the role that (retreating) welfarism has played in stabilizing capital accumulation (and in destabilizing middle and working class life) during the tenure of Abdullah.[98] Within this

97 Invested with total discretion, I will show that this technocratic policymaking operates outside the traditional apparatuses of the state and therefore outside the patronage systems, distributive rationalities, and welfarist commitments that the state has traditionally been host to.

98 Specifically, I will consider the social and economic effects generated through public health expenditures, the cancelation of universal subsidies, and the state's privileging of targeted transfers in its poverty alleviation operations. In addition, I will examine how a more generalizable decline in the quality of public service provisions has stressed middle and lower class families—forcing them to borrow and spend greater sums on health and education—, and how these stressors relate to social instability.

wider line of welfarist inquiry, I will also take heed to emphasize the generational effects that *relative* declines in public sector hiring have had over the last twenty years—and document the extent to which the *social* impact of direct state employment has declined under the current King.[99]

The second subsection will narrow in on what I will conceptualize as the state's *elite-oriented* interventions. Herein, I will begin with an analysis of the fiscal sociology that has been consolidated under Abdullah's watch. At the aggregate level, I will show that this sociology is not only regressive, punitive, and economically inefficient, but that it is also conducive of *upward* and *outward* redistributions of wealth.[100] Henceforth, I will proceed to consider six additional mechanisms of elite-oriented intervention: (1) privatization; (2) the manipulation of current account liberalization; (3) the instrumentalization of public credit institutions for the purposes of boosting elite-owned enterprises; (4) real-estate oriented industrial/investment policies; (5) laissez-faire industrial policies [as implemented across Jordan's Qualifying Industrial Zones (QIZ), Special Economic Zones (SEZ), and Special Development Zones (SDZ)]; and (6) *military* industrial policies.

Chapter eight—*Institutionalizing Oligarchy: The Jordanian Form of Market Competition*—will address the nature of capital-capital relations and market competition in Jordan today. This

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99 In addition, I will also show that public sector hiring today remains detached from considerations of merit; this being the case, I will also document the extent to which this area of public expenditures is compromised by much the same issues as were seen during Hussein's post-1973 years.

100 More specifically, I will address the emphasis he has put on the VAT, his regime's de facto neglect of corporate and income tax, the tax breaks provided across Jordan's many special economic and development zones, the pervasiveness of tax evasion, and the effects that issuing domestic bonds to licensed banks alone have had on the state's fiscal sociology.

analysis will also be broken into four subsections. In the first, I will review the modality of state-capital relations established under Abdullah and discuss how this relates to the consolidation of Jordan's oligarchic markets. In section two, I will link class history to today's market competition, foregrounding how the fracturing and hierarchizing of the capitalist class also informs sub-optimal market performance. In section three, I will briefly discuss the financialization of the economy and how the hegemony of financial capital contributes to anti-competitive dynamics. In subsection four, finally, I will disaggregate the economy on a sector by sector basis, using a quantitative analysis to map the oligopolistic market structures organizing contemporary *competition.*

Chapter nine—*Social Control Under Abdullah*—will explore the logic through which this deeply inefficient and corrupt iteration of capitalism manages to stave off popular revolt. This analysis will be broken into four subsections. In the first, I will detail the legal-coercive aspects of contemporary social control. In the second, I will focus in on the (domestic and transnational) segmentation of the labor force and connect this to the stabilization of elite-oriented accumulation. In the third, I will turn to the proliferation of micro, small, and medium-sized enterprises and discuss how they have problematized the mobilization of worker solidarity. Finally, in the fourth subsection, I will address how the generalized precarity of the population may also contribute to social control in the contemporary period.

Chapter ten—*Peripherality, Dependency, and the External Articulation of Jordanian Capitalism*—will consider the regional and international integration of Jordanian capitalism. This analysis will be broken into two subsections. In the first, I will consider the *juridical institutionalization* of economic opening. As I will have already covered some aspects of this institutionalization in previous chapters—principally, the country's immigration, investment, and industrial policies—, this analysis will primarily emphasize the particular effects borne of trade and budget policy. Herein, I will process trace the economic consequences yielded by the country's accession to the WTO, its signing of highly influential bilateral trade agreements, and by the state's enduring dependence on external budgetary sources.[101]

In subsection two, I will consider the consequences produced by Jordan's very particular modality of economic opening. Herein, I will highlight and explain four economic outcomes that are specifically relevant to contemporary underdevelopment. The first concerns the country's declining terms of trade. Narrowing in on the export side of the ledger, the second concerns the declining sophistication of Jordan's export basket. Directly related to investment policy decisions, the third concerns the effects of the Gulf's colonization of Jordan's domestic capital stock, and will emphasize how Gulf-originating FDI tends towards non-productive sectors, thereby undermining industrial development and technological convergence alike. Bringing immigration policy to the fore, the fourth will explain how brain drain has been institutionalized through the collaborations of state and capitalist class in Jordan.

Chapter eleven—*Legitimating Neoliberalism: Inward/Outward Facing Ideology and the Jordanian SSA*—will cover the material and discursive practices designed to normatively embed contemporary capitalism (and its Hashemite sponsors). Herein, I will detail four master scripts

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[101] Specifically, I will be examining the Jordan-United States Free Trade Agreement (JUSFTA) and the EU Association Agreement on Jordan in considerable detail. Though I will also touch on a handful of regional trade initiatives such as the Greater Arab Free Trade Agreement (GAFTA), as these have been much less impactful in practice, they will not be given pride of place. Regarding GAFTA for example, though it was meant to eliminate all impediments to trade as of 2005, extensive non-tariff trade barriers remain in place across the region, and intraregional trade remains quite low as a result.

most central to this ideological project as well as the institutions and actors that are involved in their articulation: (1) The Fetishization of Globalization; (2) The depoliticization of the governance[102]; (3) The lionization of the entrepreneur; and (4) The Interpellation of the (social) Entrepreneur as the Ideal Citizen-Subject.

Finally, in the dissertation's concluding chapter, I will review the central theses anchoring this work, discuss matters of generalization and the contributions this case study can make to the field of comparative capitalism, and probe avenues for future research.

[102] In tracing how the Palace has defined its self-styled technocracy through negation—through first ascribing ontological corruption to the state, etatisme, political parties and the political and then casting the King, his insulated policymakers, and the *business* class as their antithesis—, I will demonstrate how the ideological component of the SSA infuses and reinforces capitalism's social, political, and economic institutionalization.

SECTION ONE

Jordan's Social Structures of Accumulation in Historical Perspective

CHAPTER THREE

A Preamble: Jordan before the Mandate, Jordan during the Mandate

Many studies of the Jordanian political economy depict the period prior to the British arrival as a premodern kind of ether.[103] This construction of a *Bedawi* terra nullius is problematic for a number of reasons, first amongst them that it necessarily attributes a creationist type of historical agency to the subsequent advent of the both the British and the Hashemites. It is also problematic for the fact that it obscures the provenance of Jordan's contemporary class system. Given that the proto-consolidation of the bourgeoisie in the late 19th and early 20th century preceded and thereby shaped the formation of the state, this obscuration is even more consequential than might first appear.[104]

So to avoid making the same error, this preamble will introduce the reader to a number of key social, political, and economic developments transpiring within Transjordan during the late Ottoman period. Henceforth, it will briefly survey both the processes through which the British Mandate over Transjordan was established and the processes through which the Hashemite family eventually staked its claim as the Mandate authority's *indigenous* partner. Of note, the analysis in this chapter will differ from the analyses featured in this dissertation's other historical

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[103] Not only do these studies inflate the role of the state in constructing the economy; by subsuming the Hashemite Kings within the state—in making the Monarchy and the emergent bureaucracy a unified actor—, these analyses also obscure how the Palace has, in pursuing its own interests, consistently *undermined* that bureaucracy and the formation of a rationalized state, as I will detail.

[104] Nowhere is this ahistoricism more apparent than in Piro's 1998 book *The Political Economy of Market Reform in Jordan.* In the introduction to this work, Piro asserts that in Jordan, the state preceded (and by implication, created) the national economy (p.6). This self-sufficient fact is highly problematic, as the following pages will detail.

chapters in that it will not be arranged according to the frameworks of social structure of accumulation theory. Designed so to acclimate those unfamiliar with Jordanian history to the basic lay of the land rather than so to provide a comprehensive analysis of capitalism's social, political, and ideological institutionalization in the late 19th and early 20th centuries, I hope the reader will not find this too disorienting.

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In the mid-1800s, the lands that would later constitute the British Mandate of Transjordan hosted forms of social and economic organization that in many ways resembled what was seen elsewhere in the Arab *Mashreq.* As was the case in Syria, Palestine, and Lebanon, the Transjordanian economy was itself largely dependent upon long distance trade, derivatives of the annual hajj (i.e. caravan raiding), camel pastoralism, and subsistence agriculture.[105] If sharing in such generalized properties, however, Transjordan diverged from its Levantine peers in two (intersecting) regards. First, due to the intensity of the climate's aridity[106], the contingent histories of regional empires, the acute pervasiveness of local Bedouin raiding, and the absence of

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105 This archetype was developed by Samir Amin in *Unequal Development.*

Though corresponding imperfectly with any analytical archetype, Transjordan could be said to approximate a poor tribute social formation in these years, one where the "center of gravity was the town rather than the countryside."
See: Mohammaed al-Masri, *The Jordanian Bourgeoisie Composition and Structure 1967-1989.* Doctoral dissertation, Durham University (2005), p.85.

106 Regarding the point on aridity, with the exception of the Ghor region and the eastern highlands—the lands between the Yarmouk River and the Syrian borders in the north and Wadi Musa in the south—, approximately 91% of the Transjordanian landmass was unsuitable for agriculture. Receiving under 200 millimeters of rainfall per year, Transjordan would therefore see little of the grain production powering much of Syria's 19th century capital accumulation.
See: Masri, p.85 and Oddvar Aresvik (1976), *The Agricultural Development of Jordan,* p.58-60

a Mediterranean coastline, the area's urban centers were relatively underdeveloped as compared to those seen elsewhere in the *Mashreq.*[107] Second—and again due to both the climate's aridity and the pervasiveness of the raiding economy—, Transjordan's agricultural base was comparatively underdeveloped as well.[108] If still providing the material conditions needed for the reproduction of settled, nomadic, and semi-nomadic ways of life, Transjordan's precarious food supplies and limited economic surplus allowed for neither substantial population growth nor capital accumulation.

As regards the political realities of the day, while nominally under Ottoman control throughout the 19th century, the lands of Transjordan saw little interference from their imperial overlords prior to 1850. Operating out of an administrative capital in Damascus at mid-century, logistical challenges and a lack of financial incentives saw the Ottomans devote little effort or resources to extending their presence beyond the relatively fertile Ajlun region of north Transjordan. This negligence and disinterest did eventually give way, however, once a more interventionist administration in Istanbul took an interest in extracting predictable tax receipts from its *Mashreqian* subjects. Adopting a variety of means in service of these ends—the building and staffing military garrisons, the implementation of land registration through 1858's Ottoman

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107 Transjordan's cities and towns were significantly less prosperous than either interior trading depots like Damascus and Aleppo or sea-trading, western-oriented ports like Haifa, Jaffa, and Beirut.

108 Forced to navigate the whimsicality of ecological conditions and bedouin predations/impositions of tribute alike, throughout much of the 19th century, Transjordan's peasantry tended to consistently relocate and to rely on more *primitive* tools of cultivation (lest their capital be seized by the Bedouin).
For more, see: Norman Lewis, "The Frontier of Settlement in Syria, 1800-1950" in Charles Issawi (ed.) *The Economic History of the Middle East 1800-1914.* University of Chicago Press (1955), pp. 259-264
Mustafa Hamarneh, *Social and Economic Transformation of Trans-Jordan 1921-1946.* Doctoral dissertation, Georgetown University (1985), pp. 79-80.

Land Law[109], the encouragement of semi-sedentarization amongst the Bedouin, the (forced) settlement of Circassian migrants in Amman, Jerash, and Zarqa, the (forced) resettlement of Arab Christians in Karak and Madaba[110]—, the revenue-driven extension of the Ottoman administrative state would constitute a critical juncture in Transjordanian history, catalyzing processes of economic development and capitalist class formation that proved to be of great subsequent importance.[111]

To begin, the extension of the Ottoman state and the relative security this extension oversaw facilitated Transjordan's integration into networks of trade and commerce based in the Syrian interior—networks which Transjordanian residents had previously lacked access to.[112] This proto-regional integration alone precipitated a transition from subsistence agriculture to export-oriented agriculture in Transjordan, with massive increases in the export of wheat, cereals, barley and fruits achieved henceforth.[113] Perhaps even more importantly, the building of Ottoman garrisons also facilitated the relocation of Syrian and Palestinian merchants into Transjordan's emergent trading (and smuggling) centers. No longer as vulnerable to the caravan

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109 The nature and social effects of the imposition of the Ottoman Land Law (as it interacted with pre-existing system of masha'a, miri, and private property) are subject to some scholarly debate. For a review, see: Michael Fischbach, *State, Society and Land in Jordan.* Brill (2000)

110 Regarding Ottoman *settlement* policy, see: Eugene Rogan, *Incorporating the Periphery: the Extension of Direct-Rule over South-Eastern Syria (Transjordan).* Doctoral dissertation, Harvard University (1991).

111 Regarding this stage of Jordanian history more generally, see: Tariq Tell, *The Social and Economic Origins of Monarchy in Jordan.* Springer (2013), pp. 42-43.

112 See: Masri (2005), pp. 87-114.

113 Together those products comprised 75-90% of Transjordan's total exports at this stage. See: Knowles (2001), p.86.

raiding of the Bedouin, this arrival of Nablusi, Jerusalemite, and Damascene capital further expedited and accelerated the agriculture-driven growth already underway.

Introducing levels of investment, accumulation, and dispossession hitherto unseen in these territories, these non-indigenous arrivals wound up profoundly reshaping the class structure of Transjordan. To the extent, moreover, that it was the extension of Ottoman security which had hastened the arrival of non-indigenous merchant capital in the first place, one can also see how class and state were bound by a co-constitutive relation since the very inception of *modern* Transjordan.[114]

The relation between money and power only deepened in the years ahead as Transjordan's quickly metastasizing bourgeoisie set about establishing commercial empires throughout the territory's *emerging* markets. As the examples of Wafa al-Dajani and Sabri Taba'a make clear, member of this non-indigenous merchant class were consistently afforded a privileged status by the Ottoman Bank across the closing decades of the 19th century and early decades of the 20th century.[115] Extended both collateral-less letters of credit and exclusive import permits, such actors were able to exploit such privileges so to amass significant fortunes.[116] Once

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114 With demand for agricultural products greatly expanding due to the Mashriq's more general incorporation into the global capitalist system and with the building of the Hijaz railway further facilitating both the expansion of the state and the movement of goods, these merchant capitalists saw their wealth steadily grow over the course of the late 19th and early 20th centuries.

115 These merchants won the favor of the Bank's Director Haydar Shukri, who provided them with access to wide lines of credit without requiring much in the way of collateral.
For more on this period, see: Abla Amawi, *State and Class in Transjordan.* Doctoral dissertation, Georgetown University (1993), p.481.

116 Certainly, the capital stock of this merchant class paled in comparison to that which had been accumulated along the cities of the more deeply integrated, significantly more trafficked Mediterranean coast.
See: Philip Robins, *The Consolidation of Hashemite Power in Jordan 1921-1946.* Doctoral dissertation, University of Exeter (1988), p.324

those fortunes were established—fortunes derived of political intervention as much as entrepreneurial spirit—, moreover, this proto-capitalist class subsequently prove adept at leveraging their wealth to extract assets and rents from the Transjordanian peasantry.[117]

This phenomena was most obviously manifest upon this economic elite's embrace of tax farming and what might today be recognized as predatory *payday* lending.[118] With the volatility of the weather rendering the harvest in many areas of TransJordan highly unpredictable, cash-strapped farmers, forced to reckon with the imminent arrival of the Ottoman taxman, were something of a perfect mark for these types of operations.[119] The Abu Jaber family, one of the scions of the contemporary Jordanian economy, stands out as one of the most notorious beneficiaries of this particular accumulation through dispossession racket, which they used to acquire massive landholdings in the areas surrounding Amman by the early 1900s.[120] Amongst the dispossessed, the farmers of Balqa, Karak, and Ma'an suffered most acutely.[121] Of great

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[117] Amawi (1993), p.469-470.

[118] Often working in conjunction with Ottoman bureaucrats, these merchants turned moneymen would set up predatory financial arrangements whereby they agreed to cover a farmer's tax obligations in exchange for the ultimate transfer of collateral (i.e. property) or usurious repayment rates. See: Masri (2005), p.121, and Hamarneh (1985), p.183-184 for greater details.

[119] It is worth noting that peasant populations in northern Transjordan proved more deft in managing the Ottoman's tax administration.

[120] Tell (2013), p.43

[121] Regarding this relationship between accumulation and dispossession, see: Tell (2013), p.41-45

In addition to accumulation through dispossession, it is worth mentioning that by century's end and as trade and commerce grew, small scale, agriculture-based industry also gained a foothold in the Transjordanian economy. Though scarcities of capital and the deficiencies in electricity production and distribution meant Jordan experienced nothing even approximating industrialization proper, the establishment of flourmills, distilleries, and cigarette factories nonetheless gave some indication of the larger economic transformation then underway importance, one must also note that it was in these same pre-Mandate years that Transjordan's non-indigenous bourgeoisie both acquired a class consciousness and began to institutionalize itself as a class *for* itself. These particular transformations were both reflected and consummated in the establishment of the Amman Chamber of Commerce (ACC) in 1910.[122]

As I hope this brief historical review has been sufficient to demonstrate, then, the decades preceding the British Mandate were indeed of unambiguous consequence to the social, economic, and political trajectories later taken in Transjordan. Firstly, as the genealogy of the country's foreign bourgeoisie attests, these years endowed a polarized and elite-dominated class structure. Evincing as well the extent to which political privilege helped midwife the bourgeoisie in the first place, this same genealogy can also help unwind the historical logic informing Jordanian capital's contemporary proclivity towards rent and favor seeking. Finally, having demonstrated how capital institutionalized itself through the ACC prior to the foundation of the Mandate, this history

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For more on early industrialization, see: Michael Mazur, *Economic Growth and Development in Jordan.* Croom Helm (1979).

122 On the formation of the ACC, see: Masri (2005), p.124-125.

As I will discuss, the influence the merchants were able to exert on early state-building was a direct function of the first Hashemite Emir's enduring financial precarity. Constantly short on the cash needed to sustain his patrimonialist grip on power, the Emir was forever in need of friends who might tide him over in the lean early years of his Meccan exile. Cognizant of this, the merchant capitalists organized at the ACC would prove more than keen in extending this desperate Emir a constellation of loans and grants. Holding his fate in their deep pockets, they would then leverage the Emir's indebtedness so to acquire de facto veto power over the proto-legislative process—particularly in the area of fiscal policy. Ultimately able to cajole the Emir into the directions they preferred as concerned matters of taxation and revenue generation, these merchants wound up defining the foundations of the Hashemite's fiscal sociology—foundations that have proved remarkably resilient. Indeed, in the pages to come, I will show how capital's molding of the Hashemite proto-state—as well as the state's growing influence over the prospects of capital—coalesced so to constitute a very peculiar political economy. In conjunction with the sociopolitical effects derived from British-led initiatives in land reform and in building a national military, these co-extensive and seminal processes of class and state formation would become basic to the institutionalization of modern capitalism in Jordan, and are therefore of critical import to the problematique at the heart of this dissertation.

also affords clues into how this relatively small group of actors would later manage to shape the structures of the *modern* state in a manner detrimental to long-term development as well.

The British Mandate

In 1918, the diplomatic horsetrading that had preceded the eventual post-war dissolution of the Ottoman Empire ultimately resulted in the United Kingdom, one of the principle victors of World War I, being rewarded with a number of Mandates across the Middle East. This full history is beyond the scope of this dissertation, thought it has been aptly covered in a number of foundational texts.[123] Amongst the territories to be included within the UK's new imperial possessions were, of course, Transjordan's.[124] If British origins in Transjordan can be therefore be traced back to the bargaining and mapmaking of English and French colonial officials, the story of the Hashemite's road to Amman (by way of Salt) is slightly more convoluted.

With a lineage tracing back to the founding generation of Islam, the Hashemite family had long represented one of the paramount religio-political forces in all of Arabia. As World War I commenced, in fact, the family's patriarch, Hussein, held the title of Sherif of Mecca, a position of

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123 For a full histories on the Sykes-Picot negotiations that would carve the Middle East into French and English mandates following this dismemberment, see:
Eugene Rogan, *The Fall of the Ottomans: The Great War in the Middle East*
M.E. McMillan, *From the First World War to the Arab Spring: What's Really Going on in the Middle East*
James Barr, *A Line in the Sand: Britain, France and the Struggle that Shaped the Middle East*.

124 It is worth noting that the actual borders of the Mandate of Transjordan would not be solidified until the late 1920s.

significant (if slightly overstated) symbolic and material importance across what might be (problematically) identified as the *Muslim world.*

As influential as his authorities in Mecca had already made him, the Sherif (and his sons) harbored far greater ambitions for their family. Having observed the political winds of the early 20th century—and having anticipated the collapse of the Ottoman Empire—, these Hashemites dared to imagine that an independent pan-Arab kingdom might soon come into fruition, and that such a kingdom would inevitably come under their family's dynastic control. In an attempt to *speak* these rather grandiose visions into existence, the family cultivated ties with British intelligence and diplomatic staff so to explore whether a wartime partnership might yield a commensurate peacetime dividend. Swept up in British duplicity and double-dealing, the Hashemites were ultimately persuaded to launch their much-ballyhooed *Great Arab Revolt* in 1916.

However, at the same time as the Hashemites were *revolting* and allowing themselves to dream of an expansive Kingdom stretching across the Gulf, Iraq, and the Levant, they found themselves rendered suddenly precarious back on their traditional homefront. By virtue of the Saudi-Wahabiyya axis then rampaging its way across the east of the Arabian peninsula, the longtime stewards of the Hejaz were acutally seeing their grip on an ancestral birthright slip at the very moment when their pan-Arabist project seemed closest to fulfillment.[125] As the Hashemites were soon to be betrayed by the separate agreements that the British had already

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[125] See: Tell (2013), pp.55-60
Though the Sherif held onto Mecca until 1924 (and Medina until 1925), the Hashemite's power in Arabia was highly precarious from the latter years of WWI onward.

signed with the Zionist leadership as well, the Sherif and his sons were therefore in a highly dubious position once the great war finally came to its close.

Unfortunately, there is not space within this text to appropriately cover the long and complex history that subsequently proceeded as local and foreign actors jostled for power and control across the region.[126] Specific to the Hashemites in Transjordan, however, and for the sake of parsimony, we may reduce this history as follows: though Abdullah ibn Hussein, the eldest son of the former Sharif of Mecca, had initially been offered the Iraqi throne by the Iraqi National Congress (a throne later taken up by his brother, Faisal, though only after he was banished from Damascus by the French Army), a constellation of variables—including the imperial gamesmanship of the great war's European victors, the particular colonial arithmetic of the Hashemite's chief guarantors (the British)[127], and Abdullah's unilateral claiming of

[126] For more on this history (and mythology), see:
Timothy Paris, *Britain, the Hashemites and Arab Rule: The Sherifian Solution* (2004);
Efraim Karsh and Inari Karsh, "Myth in the desert, or not the Great Arab Revolt", *Middle Eastern Studies* (1997)
Rashid Khalidi, *The Origins of Arab Nationalism (1991)*
MC Wilson, *The Hashemites, the Arab Revolt, and Arab Nationalism* (1991)
Joseph Massad, *Colonial Identity (*2001*).*

[127] Regarding that colonial arithmetic, a number of points are worth making. First, Whitehall had, of course, issued conflicting wartime promises to Abdullah's father (then the Sherif of Mecca) and the Zionist leadership then consolidating their settler colonial project in the lands of Palestine. Once the Balfour Declaration consolidated the latter's (partial) claim on Palestine, the Greater Arabia that had been pledged to the Hashemites was no longer viable.

Simultaneously, Whitehall was also becoming increasingly unnerved by the brazen aggressiveness of the Saud-Wahabiyya axis in Arabia, which, as mentioned, displaced the Sherif from Mecca and Medina in 1924-1925. As the Wahabiyya's raiding was becoming a growing menace to the lands that would become the British Mandate of Iraq—and as this militant Brotherhood's ambitions extended as far west as Palestine—, Abdullah's unilateral move on Transjordan suddenly presented some value for the British. A Hashemite-led buffer state in these backwater lands, after all, might be able to kill two birds with a single stone—honoring (in part) the promises the British had made to the Sherif as regarded an Arab Kingdom while also helping to secure Baghdad and Jerusalem against Wahabiyya encroachment.

See Tell (2013), pp.60-70 for more details.

Transjordan[128]—saw to it that he eventually wound up on the east bank of the river Jordan. While the borders of this British Mandate—which was to eventually become Abdullah Kingdom—would not be firmly set at the time Abdullah was named Emir (1921), and while the raiding Wahabiyya would consistently test Transjordan's southern border across the early years of the 1920s, this emergent polity acquired some degree of legal and geographic solidity by 1923.[129] Of note, the tribes of Transjordan, many of whom had supported the Ottomans during the war and for whom the son of a Meccan Sherif was a complete unknown, were not even nominally consulted on these matters.

The Political Institutionalization of a Foreign King

As one may have anticipated from what was intimated above, Abdullah's self-coronation did not go down easy with the local populations that were to be made subjects to such a non-native and anonymous sovereign. Many local tribes, in fact, forcefully contested the Emir's self-aggrandizing presumptiveness by organizing a proto-nationalist resistance and rebellion throughout the first two years of the Mandate's existence.[130]

Due to his evident lack of credibility amongst domestic actors and his distance from local social forces, it would be unsurprising, then, when Abdullah built his initial political coalition

128 Ibid, pp. 60-62.

129 For this history, see: Naseer Aruri, *Jordan: A Study in Political Development (1921-1965).* Springer (1972), pp..4-5

130 The Adwan tribe was quite famously the leader of these rebellions. For more on this topic, see Betty Anderson, *Nationalist Voices in Jordan: The Street and the State.* University of Texas Press (2005), pp.43-52.

through partnerships with ethnic non-Transjordanians alone. Evidence of this, his early governments were staffed almost entirely by the exiled members of *Hizb al-Istiqlal,* the majority of whom hailed from Lebanon and Syria*.* These emigres, many of whom were central figures in the articulation and mobilization of early Arab nationalism, had previously served Abdullah's younger brother Faisal during his brief reign in Damascus. Making their way into Transjordan only after the French military campaign had brought Faisal's reign to an unillustrious end, they were men that ultimately saw their Jordanian sojourn as a stepping stone to something bigger.[131] By virtue of the fact their long-term interests lying back in Damascus and in the pan-Arab entity they hoped that city would be capital to, the Istiqlalists governed Transjordan according to cynical and instrumentalist rationalities. Seeking nothing beyond the revenues needed to raise an army so to retake Damascus and wholly lacking in both knowledge and concern for people of Transjordan, Abdullah's partnership with the Istiqlalists, lasting through the mid-1920s, would be most remembered for the brutal tax regime it imposed upon Transjordan's agriculturalists.[132]

Due to the vagaries of imperial politics[133] and the social dislocation borne of the *Istiqlalist'*s punitive tax regime, Abdullah's favored Syrian-Lebanese allies eventually lost favor with the Emir (and his British minders). Their subsequent expulsion from Jordan in 1924 afforded the King the opportunity to Jordanize his political elite. He did not, however, avail

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131 For more on the Istiqlalists in Jordan, see: Tell (2013), pp. 62-64; Anderson (2005), pp.36-37.

132 As Tell (2013) has detailed, this resulted in the Transjordanian peasantry being squeezed for nine and half years worth of taxation over the course of three years (p.63).

133 Specifically, the French requested that the British crackdown on the Istiqlalists, who continued to organize agitation against the former's Mandate in Syria.

himself of such an opportunity. Rather, he replaced his *Istiqlalists* with seconded Mandate officials reassigned to Transjordan from previous postings in Palestine. This substitution of foreign like for like meant that indigenous political representatives remained locked out of the emergent state apparatus—where they would stay for the majority of the Mandate period.[134] Giving some indication of this native discrimination, of the forty-eight government ministers appointed or *elected* during the Mandate period, only eight were native Transjordanians.[135]

Of course, as important as Abdullah's foreign consiglieres were to the politics and policy of the early Mandate period, their influence ultimately paled in comparison to that of the British authorities. It was, after all, the British Royal Air Force and its armored cars that put down the tribal and proto-nationalist uprisings in al-Kura (1921) and Amman (1923).[136] If always leaving him a bit short (and dependent on domestic merchant capital, as I will discuss), it was the British subsidy and annual grant-in-aid that underwrote what indigenous legitimation Abdullah was able to purchase through rather crass, transactional arrangements with select tribal chiefs—principally those of the Bani Sakhr.[137] Lastly, it was also the British Residency (and the High

134 For more on early Mandate era governance, see: Philip Robins (1998) and Anderson (2005), p.53.

135 Tell (2013), p.75
Prior to John Glubb's establishment of the Desert Patrol—an outfit that would recruit from and make officers of the Huwaytat, Bank Sakhr, and Sirhan tribes (Tell, 76)—the same regime of local discrimination and anti-Transjordanianness would also reign within the security forces.

136 Anderson (2005), p.44.

137 Per Robins (1988), p.298, the British provided the Emir with a personal stipend of 36,000£ for the majority of the 1920s. This figure grew to 100,000£ by the end of the decade. Such a figure was meant to cover the Emir's personal expenses and the costs of maintaining his government. Independent of this, for the majority of the 1920s, the British state also provided the Mandate's military forces with annual *grants-in-aid* ranging from 66,000-180,000£. These grants financed salaries, expenses, buildings, etc.
For more on the Emir's selective patronage of the tribes, see: Tell (2013), pp.74-77.

Commissioner in particular) that dropped all pretenses regarding Transjordan's apprencticeship in self-rule so to govern unilaterally from 1924 onward.[138]

Proceeding on an ad hoc basis initially, Britain's unilateral seizure of fiscal, administrative, legislative, and martial powers was eventually formalized in 1928 upon the signing of the *Agreement Between His Majesty and the Emir of Trans-Jordan*.[139] So to add a legalist-moralist sheen and a degree of indigenous legitimacy to this coup of the colonial office, the British also established a quasi constitution called the Organic Law that same year. Nominally speaking, the Organic Law contained some progressive measures. For example, it provided for the establishment of a national Legislative Council to be filled, in part, by elected representatives. Despite the adjective in its title, however this Council was only consultative in nature. What is more, the Emir, whose hereditary rights as the head of state were also juridically established in the Organic Law, was also to retain the power to dissolve the Council whenever he deemed necessary—as he would on the occasion for the first Legislative Council in 1929—and wide discretionary authorities when it came to the appointment and disqualification of representatives.[140] Given that the *popular* representatives chosen to the Council were filtered through an electoral system combining indirect balloting (inherited from Ottoman Law) and a

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[138] In keeping with the times, this quiet coup was legitimated through the assertion that neither the Emir nor the Transjordanian people had "yet proved their competence in learning how to administer [the country]." Massad (2001), p.31

[139] Aruri (1972), p.76

[140] Ibid p.4
On the positive side of the ledger, it should be acknowledged that Abdullah did use the Legislative Councils to integrate the sons of docile tribal notables into the middle and lower ranks of the administrative state (Tell, 2013, pp.73-75).

muddled system of minority-oriented quotas—the toothlessness of the democratic institutions bequeathed by the British were matched by their non-representativeness as well.[141] The institutionalization of such a political system proved unsurprisingly alienating for the vast majority of the Mandate's subject-citizens.142

The State in the Economy: Laissez Faire to Growing Welfarism

Up until the late 1920s, the Mandate Authority's investments/interventions in the Transjordanian economy were both negligible and socially non-impactful. A relative backwater within the British constellation of Arab Mandates, Transjordan also received little from Whitehall when it came to administrative resources and personnel. To the extent that Transjordan's Mandate officers were engaging with questions of economic development at all in the years preceding the great depression, moreover, it was through the "prevailing orthodoxy of economic liberalism."[143] With development policy thereby structured by the tenets of balanced budgets,

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[141] The 3% participation rate in the first election conducted under this system (1929) demonstrates the extent to which the Transjordanian people rightly perceived the hollowness of this institution.

For more on this period of political/constitutional history, see: Tariq Tell, "Bedouin, Fallah and State" in Eugene Rogan and Tariq Tell (eds.) *Village, Steppe and State: Social Origins of Modern Jordan.* British Academic Press (1994), p.179; Also, see Aruri (1972), p.78.

[142] The alienation produced by these hollowed institutions manifested in the growing (and consistently pro-democracy) agitation being organized by an emergent Jordanian National Movement (JNM) throughout the 1920s and 1930s (Tell, 2013, p.80). At the same time as the King was signing away Jordan's sovereignty to Britain in exchange for his family's dynastic claims, the JNM's General National Congress of July 1928 was issuing the Jordanian National Charter. In it, they asserted that Jordan was "an independent sovereign Arab country", that it was to be governed constitutionally and democratically, and that any legislation "that is not based on the principle of justice and the general welfare and the real needs of the people" would be considered void (Massad, 2001, p.30).

[143] Knowles (2001), p.86

free trade, and market-led investment, Transjordan's peripheral economy made little headway beyond what was generated through the commercial arbitrage of its merchant capitalists.

Three historically contingent events, the effects of which were compounding—the global economic depression of the late 1920s and early 1930s, the persistent drought-like climactic conditions that were contemporaneous to the depression, and the Great Arab Revolt attempted by Palestinian nationalists between 1936-1939—precipitated significant changes in the British approach to Transjordan's economy. The Authority's subsequent adoption of an activist modality of interventionism would be bifurcated according to what I have conceptualized as mass-oriented policies and elite-oriented policies. Integrating diverse segments of the Jordanian body politic into what Tell has called the *moral economy* of the Hashemite regime, the mass oriented policies of the Mandate authorities were largely in keeping with the Keynesian consensus that eventually rose to prominence in the west following the onset of the depression.[144] A public works program was established in 1931, for instance, which functioned so to build critical infrastructure at the same time as it provided sustenance and wages for vulnerable populations. Having been made acutely precarious due to the droughts of the 1920s and the brash raiding campaigns launched by the Arabian Wahabiyya, this initiative proved a lifesaver for the southern Bedouin in particular.[145] Beyond providing a critical source of wages, the roads and trainlines that were laid down during these years of course functioned so to facilitate the movement of goods (and the movement of the

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[144] For a complete review of this Keynesian turn, see Tell (2013), pp.77-80, 83-108.

[145] Ibid, pp.85-93.

Mandate's security forces[146]) as well. Such indirect but equally positive externalities were to be of critical import for long-term capital accumulation.[147]

In terms of numbers employed and long-term socioeconomic impact, however, the effects of the public works program still paled in comparison to those that would be achieved upon the Mandate Authority's expansion of its military footprint. Financed by a sharp increase in the British subsidy[148] and led by a singularly infamous figure in Jordan's modern history—Pasha John Glubb—, the staffing of the Mobile Force, Arab Legion, Transjordanian Frontier Force, and Desert Patrol Force provided thousands of steady jobs for tribesmen otherwise struggling to find a place in the modernizing economy. Coupled with these job creation efforts, moreover, was an emerging system of military welfarism that included health (as was best represented by Glubb's Desert Mobile Medical Unit) and educational initiatives.[149]

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146 This infrastructure proved essential during the Palestinian Uprising of 1936-1939. During the early years of this conflict, Palestinian forces had evaded British military forces through seeking and receiving sanctuary from tribes in Transjordan. Once these roads were built (and once many of the southern tribes were brought into the employ of the Mandate Authorities in Transjordan), these sanctuaries were closed, and the repression of the uprising was made far easier.

147 Most immediately helpful—especially for Transjordan's impoverished agriculturalists—were the tax exemptions and subsidies on seeds that were provided across the 1930s. While aiding a lot of desperate people, the tribesmen of the Huwaytat and Bani Sakr could be said to have been the principle beneficiaries of these particular interventions. See Tell (2013), pp.96-101.

148 By the early 1940s, British aid had been divided into three categories: (1) budgetary support for the Mandate government (2) a personal stipend of 100,000£ to the Emir and (3) grants-in-aid for the various military forces organized by Glubb.

149 Though the Mandate administration was largely content to leave education in the hands of religious organizations and actors, the establishment of a small High School in al-Salt in the 1930s would end up educating many of the figures that would go on to lead the Jordanian national movement and to staff the highest levels of the post-independence bureaucracy. Amongst the school's most famous graduates were Sulayman al-Nabulsi, the Prime Minister who would be ousted by the young King Hussein in 1957; Wasfi al-Tall, one of the central actors in the attempt to build a developmentalist state in Jordan; and Hamed al Farhan, one of the most influential economic planners of the 1950s. See: Anderson (2005), pp.54, 63, 68-71.

Central Government Budgets, 1924-1944 (British pounds)

Years	Total Revenue	Annual Average	Total Expenditures	Annual Average
1924/25-1937/38	4864236	347445.4	4859644	347117.4
1938/39-1943/44	8375516	1395919.3	8615645	1439940.8
Total	13239752	661987.6	13475289	673764.5

Data provided by Knowles (2001), p.87

In many ways, Glubb's efforts in these spaces both articulated the social character of what would become the modern state and laid a blueprint for how to embed the economy in a manner conducive to stability and class compromise.[150] Slightly less glamorous if no less impactful in these regards were the passage of the Land Settlement Law (1933) and the enormous land registration efforts subsequently undertaken by Ernest Dowson's Department of Lands and Surveys. In the north of the Mandate's territories[151]—regions that had been more extensively administered by the Ottoman bureaucracy and where the precedent of property rights had already been introduced under the Ottoman Land Law of 1858—, the land registration process was unambiguously socially positive. There, the deeding and titling of properties resulted in the consolidation of small family farms, ensuring a degree of social equity at the same time as it

[150] Politically speaking, this militarized welfare functioned so to remake previously rebellious southern Bedouin tribes into essential allies of the Hashemite monarchy. Complemented by a number of other efforts in targeted co-optation—specifically, the appointment of obedient tribal Sheikhs and the sons of tribal sheikhs to governorships, judgeships, cabinet positions in post-1930 Mandate governments, as would be best exemplified during the tenure of Tawfiq Abu al-Huda—, militarized state building undergirded much of the (fragile) architecture upon which the post-colonial state would be built.
See Joab Eilon and Yoav Alon, *The Making of Jordan: Tribes, Colonialism, and the Modern State.* IB Tauris (2007), pp.118-124.

[151] The social effects of land registration in other areas of the Mandate were considerably different, however, as I will detail.

embedded and legitimated the Mandate bureaucracy amongst the people of the region. Subsequent interventions to secure small farmers against the usury and dispossession that were endemic to the drought economy—be it through debt forgiveness, tax exemptions or a judicial system that tended to be favorable to the interest of small landholders—only further ensconced the north in the Mandate's moral economy.[152]

If land registration had contributed to the establishment of family farms and healthy class relations in Transjordan's north, however, one need recognize that its implementation engendered dislocation and dispossession in the center and south of the country as well. As has been amply documented by Alon, land titling in those areas often allowed influential chiefs—chiefs who were also allies to the Palace and the Mandate authorities—to stoke fears of that the titling of property would imply burdensome tax obligations upon the title bearer. Cynically manipulating the very same and partitioning and registration processes that had proved so successful in Ajloun, such chiefs frequently appropriated the entirety of what were once commonly held tribal lands for their personal use. In this manner, Mithqal al-Fayiz of the Bani Sakr amassed huge landholdings as well as considerable influence within the still metastasizing state.[153] Later afforded subsidies and (free) machinery in an effort to ease their transition into land cultivation, the consolidation of the chiefs' mega land holdings in these decades prefigures the inefficient, water-depleting, elite-dominated commercial agriculture that has proved so destructive to Jordan over the past twenty years.

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[152] See: Fischbach (2000) for the most comprehensive analysis of British-era land reform efforts.

[153] For more details on al-Fayiz, see: Yoav Alon, *The Shaykh of Shaykhs: Mithqal al-Fayiz and Tribal Leadership in Modern Jordan.* Stanford University Press (2016).

Social Control and the Mandate SSA

Social control during the Mandate period was less concerned about the shop floor and more about generalized order. The British High Commissioner's decreeing of the Crime Prevention Law of 1927 went a long way in these regards by allowing Mandate Authorities to use warrantless arrests and indefinite detention for anyone deemed a security threat. The cause of *social peace* was similarly served by the Law of Collective Punishment and the Exile and Deportation Laws of 1928, which allowed the authorities to harass and expel not only dissidents within the nationalist opposition but also the tribes, communities, families, and parties to which they were member (Massad, 31).

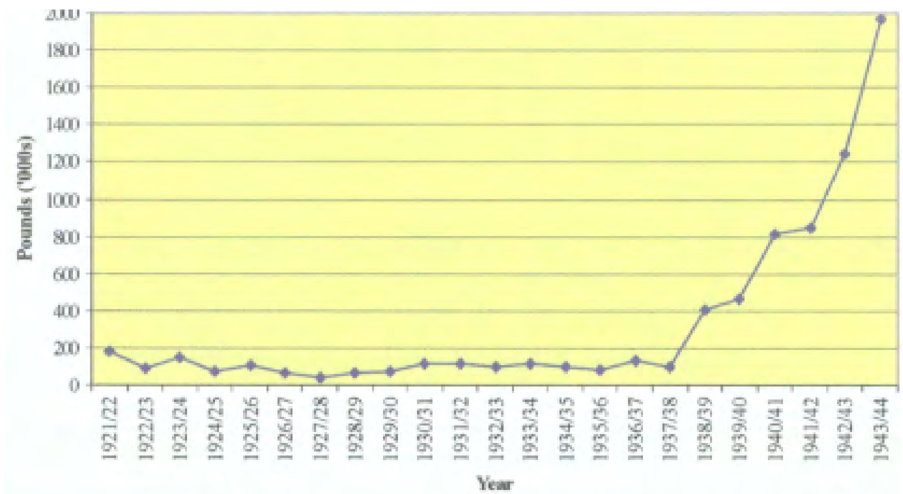
The violence of a British-imposed social peace was most acutely felt than amongst the Bedouin tribes of Transjordan's southern territories. Institutionalized through 1924's Law of Tribal Courts (amended in 1936) and 1929's Bedouin Control Law (also amended in 1936), the Mandate Authority's juridical interventions legally exceptionalized the Bedouin by placing those categorized as such outside the remit of prevailing citizenship rights. More specifically, the aforementioned laws established a kind of tiered legal system internal to the Mandate, a tiering that removed the Bedouin from the jurisdiction of civil law so to subject them to the intersecting remit of *traditional* customs and military law (Tell, 85). While each piece of legislation was introduced as a temporary measure nominally designed to *ease the transition* of the Bedouin into modernity, they stayed on the books until 1976.

The formalization of the bedouin *exception* would prove highly conducive for social control. On the one hand, by inventing and institutionalizing tribal law, John Bagot Glubb—the British military officer then organizing and reinstitutionalization Jordanian security—also created the need for official tribal judges. The manufacturing of this need, in turn, created an opportunity for the distribution of patronage, which Glubb would seize by rewarding the docile amongst the tribal leaders with appointed judgeships. If that was the carrot side of this wider social control operation, the Bedouin Control Law provided the stick. Bringing southern Jordan under Glubb's personal, autocratic jurisdiction while subjecting its peoples to the austere rationalities of military law, discipline could always be enforced should good behavior not be induced through the granting of favors. The specter of direct repression—as was suffered by the Adwan between 1921 and 1923—, made clear how far this disciplining could go.

Upon the establishment of a tentative agreement between Ibn Saud and the Mandate government in 1925 as regarded the southern border—an agreement functioning so to fix the Bedouin in space through subjecting their movements to the logic and regulations of borders—, the lives of these communities would also be more tightly monitored by agents of the state (Massad 52).

Of course, these agricultural policies did not represent the only praxis of Mandate-era elite-oriented economic interventionism. If proceeding according to long-term social and developmental impact, one ought actually begin with matters of tax policy. Herein, one need recognize that the Emir was constantly short on cash throughout the 1920s and 1930s, regardless of the stark increase that the British instituted to the royal subsidy from the 1930s onward. By virtue of this fact, he had one of two options in financing his expenditures. On the one hand, he could attempt to raise revenue through taxation. Such efforts had, of course, failed quite ignominiously under the *Istiqlalists.*[154] On the other, the Emir could turn to less formal means by calling upon the merchants that had accumulated sizable fortunes across the previous three or four decades in hopes of securing loans, grants, or some combination of the two so to meet the Palace's fiscal needs.

British Subsidy to Mandate Transjordan, 1921-1944



*Graph provided by Knowles (2001), p.57

154 History, of course, has made clear that a just and rationally administered tax system is fundamental to any country's political, social, and economic futures. The imposition of some kind of income tax system—regardless of its initial progressiveness—, after all, invests social equity and economic efficiency into the institutional ontology of the state-society relationship. Not only does this provide the material conditions needed for an eventual transition towards democratic government; what is more, the challenges incumbent to the administration of an income tax system also requires that a highly capable and rationalized state be institutionalized. As the establishment of a skilled bureaucracy later allows for high levels of industrial and development planning, the imposition of an income tax has a number of added knock-on effects as well.

For their part, said merchants recognized that the institutionalization of an income tax system promised to cut into their profit rates. Unwilling to countenance such an intervention into what they deemed to be their private affairs, they organized obstructionist efforts through the Amman Chamber of Commerce and its Chairman, Sabri al-Taba'a, and ultimately managed to persuade the Emir to avoid such a *costly* endeavor by promising him that they would pass the hat amongst their own so to make sure he was always looked after.[155] Investing whimsicality, informality, and inequity into the fiscal sociology of an emergent state whose revenue strategy had already been compromised by its external dependence, the halflife of these personalist lending arrangements would prove long indeed.

The financial beholdenness of the Emir not only afforded Transjordan's merchant elite of Transjordan de facto veto power within the Mandate-era legislative process. It also allowed them to extract favors, privileges, and business opportunities during the years of World War II—a constellation of benefits that would in turn allow for unprecedented levels of (highly concentrated) capital accumulation. The business opportunities of of the war years were largely introduced upon Britain's establishment of a Middle East Supply Center in 1941. Designed to handle potential conflict-related disruptions to the movement of goods and supplies, the MESC

[155] Across the 1920s and 1930s, said merchants wound up extending this Emir a series of discretionary loans whenever they were needed so to make up shortfalls in the Palace budget. Though many of these loans went unrepaid, this was a small loss to take in exchange for killing off the possibility of an income tax. As the Emir's private creditors/benefactors also received appointments to high-level bureaucratic appointments and cabinet positions as well as rights to purchase publicly-held lands in the Jordan Valley at prices well below market value in exchange for their help, the pain of haircut was made even less significant (Fischbach, 2000, pp. 73-75).

For more on the unrepaid loans the ACC provided the Emir, see: Anne Mariel Zimmerman, *US Assistance, Development, and Hierarchy in the Middle East.* Palgrave Macmillan (2017), pp.107-108.

had been inaugurated for the explicit purpose of "overcoming the limitation and shortage in supplies as well as to ensure economic stability" for the wider Middle East through the institutionalization of a system of import distribution.[156] By treating all of Britain's colonial possessions as a single, integrated economic unit—a decision that was itself taken with an eye towards reducing shipping costs—, the establishment of such a centralized body meant that the movement of goods in the Middle East would henceforth be regulated by *and* channeled through a single administrative node. In addition, while the larger system was overseen by British and, later, American officials, *local* Mandate governments and their respective customs departments were to be assigned considerable discretionary power in managing MESC operations on the ground. In Transjordan's case, such administrative decentralization empowered Director of Customs P. Livingstone, his assistant R.T. Ledger, and the aforementioned Director of the Ottoman Bank Haydar Shukri to unilaterally decide matters related to the issuance of monopoly import licenses, quotas, and shipping space regulation.[157]

In both expediting regional commerce and suppressing competition through the licensing system, the MESC promised to make fortunes for those able to position themselves favorably within the import economy. As such positioning was inevitably political—and as the allocation of favors was undeniably determined by an individual's proximity to the relevant British customs officials as well as by their standing within the networks of privilege upon which the Palace had

[156] For more on the foundation of the MESC, see: Masri (2005), p.126.
[157] See Amawi (1993), pp.422-430, 461-465.

consolidated its power and patrimonialism over the previous ten-odd years[158]—, it should not strike the reader as shocking that the primary beneficiaries of the MESC's war-time market controls wound up being the same merchant elite that had previously financed the Palace's budget deficits.

The magnitude of accumulation facilitated through the workings of the MESC—and the impact this had on Jordanian class formation—are hard to overstate. Specific to accumulation, the aggregate gains achieved through the combination of a merchant's monopoly control of grain markets, hoarding practices, and smuggling of contraband were of a scale qualitatively larger than anything previously witnessed in Transjordan.[159] As this relates to processes of class formation, by excluding all but the elite of elite from participating in these licensing rackets, the MESC further cleaved an already ruptured and segmented capitalist class. Concentrating unprecedented levels of wealth in those Abla Amawi would identify as the *quota coterie* while subjecting the rest of Transjordan's small businessmen to increasing levels of precarity and deprivation, the gap that opened up between a handful of politically connected, commerce-centric elites and everyone else during the precarious wartime years would prove unbridgeable over the

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[158] Per Amawi (directly referencing MESC reports), the MESC gave preferential treatment to "established traders" and those "who were reliable and could finance operations" in awarding import licenses. By consequence, pre-existing wealth/influence/prestige would operate as the de facto criteria through which monopoly import rights were determined. See pp.484-485.

[159] Masri (2005), p.128
Though much of their profits were achieved through exploiting import markets for luxury goods, it is worth noting that some instances of accumulation unambiguously required the dispossession and deprivation of the less fortunate. Of those instances, the hoarding of grains is but the most obvious example. For how each of these merchants enriched themselves, see: Amawi (1993), pp.483-488.

decades to come.[160] As members of the quota coterie subsequently intermarried[161] and institutionalized their collective influence through control of the Amman Chamber of Commerce, the disjuncture of an insulated elite from the rest of the business class was only deepened through social and organizational partitions as well.[162]

By both bestowing particular tendencies and interests upon the business elite *and* imparting conflictual, antagonistic properties into domestic capital as a whole, the MESC's effects on Jordan's economic future proved profoundly significant. When it came to either industrialization or the prospects of market competition more generally, for instance, the consolidation of such a hegemonic class fraction was, in and of itself, a highly adverse outcome. After all, as the members of Amawi's *quota coterie* all retained an endogenous material interest in trade related arbitrage and a dependence on import consumption, they would necessarily impede the protectionism and industrial investment that would be needed for long-term economic development. What is worse, by rewarding status, proximity, and political influence with monopolized import rights amongst other privileges, the MESC also managed to deepen this class fraction's tendency towards rent-seeking rather than profit-seeking activities. Completing the circular logic inherent to this form of state-capital relations, the massive rates of capital accumulation realized through rent-seeking at this time also bolstered the political influence of this small handful of actors as Mandate Transjordan inched closer and closer to independent

160 Amawi (1993), p.502.

161 Specifically, the Safadi and al-Bitar, Nuri and Tabaa, Ma'albaki and Tabaa, Budeir and Malhas, Haffar and Budeir, and Muasher and al-Bakhit were all bound by marriages.

162 For a detailed history of this consolidation of power, see: Amawi (1993), pp.509-529.

Jordan. In locking both the Palace and its bourgeois elite into a sub-optimal codependency consummated through rents and favoritism, then, the modality of state-capital relations institutionalized during World War II would not only prefigure much of the cronyism, investment conservatism, and commercial bias that have undermined Jordanian capitalism across its existence. By consolidating a direct line of communication between Palace and elite capital, it also insured that the particular interests of this class fraction would come to be *politically* articulated and privileged in the post-colonial period, thereby undermining the development of a rationalist state as well.[163]

<u>The Quota Coterie</u>

It is worth pausing here to take stock of the particular families that comprised the quota coterie (and the wider economic elite of the early 1940s) as so doing will allow the reader to better appreciate the remarkable continuities bridging past and present when it comes to Jordan's economic elite.[164]

Regarding the *quota coterie* itself, Amawi identifies thirty-one individuals of mixed ethnic backgrounds, a number of whom were either bound by marriage of hailing from the same nuclear family. As was meticulously detailed in Amawi's dissertation, this slimmest of class fractions was largely comprised of the following men (ethnic background is listed within the parentheses): Hamdi Mango (Palestinian), Ibrahim Mango (Palestinian), Sabri al-Taba'a (Syrian), Hashim al-Taba'a (Syrian), the Hatahit family (Syrian), Umar al-Ma'albaki (Syrian), Shawkat Asfur (Palestinian), Muhammed Khayr Abu Irsheid (Syrian), Rushdi Qatramiz (Syria), Abdel al-Hamid Ajami (Syrian), Zaki Idlibi (syrian), Abd al-Rahman Madi (Transjordanian), Khalil Malas (Syrian), Wajih al-Aqil (Palestinian), Rashid Darwaza (Palestinian), Salim al-Bakhit (Transjordanian), Najib

[163] The power of these economic elites introduced tensions at the very heart of Jordan's political and social systems. While these tensions could (and would) be partially assuaged through the economic elite's financing of public employment, there has always been a basic disjuncture between the interests of the Palace-bourgeois axis and the interests of peasant, Bedouin, and proto-proletarian populations. When it came to policy questions, there would also be a fundamental antagonism between a merchant elite biased towards an import-dependent an economy and an emergent core of nationalist, developmentalist bureaucrats seeking to build domestic industry.

[164] As section two of this dissertation will deal with extensively, the contemporary Jordanian bourgeoisie remains dominated in no small part by the descendants of this quota coterie, heirs and legacy children who have evolved with their co-dependent sponsors in the state so to adapt, reconstitute, and appropriate the opportunities and rents provided by changing institutional contexts and evolving international economic systems.

(Continued)

al-Bakhit (Transjordanian), Subhi al-Halabi (Syrian), Yasin Talhuni (Transjordanian), Wafa al-Dajani (Palestinian), Isma'il al-Bilbaisi (Palestinian), Ramzi al-Haffar, Muhammed Ali B'deir (Syrian), Khalil al-Shuqayr (Syrian), Ahmad Malhas (Palestinian), Tawfiq Qattan (Palestinian), Jamil al-Safadi (Syrian), Husni Bahlawan (Syrian), Yasin Diyab (Syrian) and Abd al-Hamid Diyab (Syrian).[165]

Though not amongst this quota coterie, a number of other prominent economic families also established their foothold amongst the bourgeois elite during the late Mandate period. I have already discussed the Abu Jaber's (Transjordanian) massive landholdings and exploitative credit businesses, both of which were augmented across the 1930s and 1940s. Also notable amongst the their war-time opportunists were both Munir Shuqayr—a former civil servant who successfully managed to stake out a claim in cloth importation—and Jawdat Sha'sha'a. Fortunate enough to involve himself with both Bilbaisi's Shell Oil distribution monopoly and Spir Haddad's luxury import businesses[166], Sha'sha'a would be one of the few that managed to *jump the gap* so to join the membership of the quota coterie, driving his family to the very top of the Jordanian class structure in the process.[167] It was in these years that the wealth of the Mu'asher (Transjordanian) and Abu al-Raghib (Syrian) families were accumulated as well.[168]

Finally, I need also acknowledge that upon Jordan's acquisition of the West Bank in 1948-1949, the MESC-derived capitalist fraction would also welcome a number of financial and merchant capitalists based out of Jerusalem, Nablus, and Hebron into the ranks of their elite.[169] Most relevant amongst the new additions were the Shoman, Touqan, Kawar, al-Sakhtiyaan, Nuql, Jardeneh, and Masri families. Merchants, bankers, and proto-industrialists themselves, the patriarchs of each family swiftly ascended the ranks of the Transjordanian economic elite. Particular to this subgroup, it is worth noting that with Jordan's political integration of the two Banks, Abdel Majid Shoman—who had founded Arab Bank in Jerusalem in 1935—instantaneously became the most influential representative of financial capital in independent Jordan.[170]

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165 As local agent of the Shell Oil Company and through his exclusive control over the distribution fuel, Ismai'il al-Bilbaisi acquired his fortune. Through duopolistic control of the importation of Persian tobacco, monopolistic control over Persian rugs, English textiles, and a grain extraction scheme, Ibrahim Mango built his (Ibid, 486). He was joined in Persian tobacco importation by Mithqal Asfur, and by Ajami and Ma'albaki in his textile and grain-based accumulation (Ibid, 486-488).
For the full list, see p.480.

166 Haddad controlled the market for velvet across Mandate Transjordan and Mandate Palestine.

167 Amawi (1993), pp.499-505.

168 See: Masri (2005), Appendix 10
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169 For this history, see Ibid, p..131.

170 On Shoman, see Ibid, p.295.

Conclusion

In this chapter, I have attempted to excavate the social, political, and economic foundations of both Jordanian capitalism and the Hashemite state. Having revealed how, where, and why these foundations intersect, it is my hope that this excavation has allowed the reader to better appreciate the path dependencies and deep-running historical logics underpinning not only today's political economy but the underdevelopment it engenders. Having revealed how fundamentally co-imbricated processes of class and state formation have been in Jordan, it is also my hope that the reader will be better able to discern the behavioral properties history has conferred upon contemporary political and economic elites, and how this too contributes to Jordan's capitalism of crisis.

CHAPTER FOUR

Independent Jordan's first social structure of accumulation: 1946-1973

As indicated in its title, this chapter will review independent Jordan's first social structure of accumulation. After first appraising the political domain, this review will proceed to analyses of the (i) particular form of economic interventionism adopted by the *state* during this period; (ii) the particular form of state-capital relations consolidated during this period; (iii) the form of market competition consolidated during this period; (iv) the social control regime consolidated during this period; (v) the external articulation of the economy during this period; and (vi) the ideological institutionalization of power/capital evinced during this period. The chapter will close, finally, by detailing how this wider social structure of accumulation came undone beginning in the late 1960s.

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The Political Institutionalization of the post-independence social structure of accumulation

The British Mandate in Transjordan came to a close in 1946. Not withstanding the pageantry that marked the termination of this colonial arrangement, the independence and sovereignty of the freshly declared Hashemite Kingdom of Jordan was to be highly limited for the first decade of the country's existence. These limits were a function of the new Treaty of Alliance that the Emir had signed with the British a month prior to the Mandate's termination. Amongst other things, this treaty stipulated that British officers (principally, Pasha John Glubb) retained control and leadership of the Arab Legion. Having absorbed and integrated the various entities previously constituting the Jordanian armed forces over the previous five-odd years, this stipulation meant that the entirety of the state's security apparatus would thereby remain under the direction of non-nationals.[171] Supplementing this abdication of the sovereign's monopoly on violence, the *now* King Abdullah also agreed to continue stationing British troops on Jordanian territory for the duration of the Treaty. With the fiscal capacity of the young state still wholly dependent on British budget support as well, continuities in the basic ontological character of the state would have made it difficult to parse exactly where the Mandate ended and where independence began.

Not withstanding the enduring sameness of the early post-colonial state, these years did, of course, introduce a number of rather profound changes to life in the Hashemite Kingdom as well. Windfall of the King's backroom double dealing with Golda Meir in the years immediately preceding the Palestinian nakba[172], it was at this time, after all, that both the physical geography and the population of Jordan effectively doubled through the country's *acquisition* of the West Bank and Jerusalem.

The transformations implied and precipitated via the swift and unilateral annexation of these territories were immediate, irreversible, and wide-ranging. Now steward to one of history's most contested over cities—and now positioned at the very center of what would become one of

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171 Aruri (1972), p.87

172 This double dealing was formalized during negotiations at Al-Shunah in 1949-1950, and is covered in Ilan Pappe's *Britain and the Arab-Israeli Conflict 1948-1951 (*Springer, 1988).

the world's longest running conflicts—, Abdullah's backwater Kingdom overnight acquired the kind of *international* relevance that its Hashemite monarch had so long aspired for. Upon the passage of an addendum to Jordan's Citizenship Law in 1949, the citizenry over whom this monarch was to rule also acquired a diversity (and magnitude) well beyond what he had grown to know during the Mandate period.[173] And then there was the most direct transformation of all, the one borne of the fact that the King's annexation also brought about his personal demise. Assassinated in Al-Aqsa Mosque by an ethnic Palestinian unwilling to countenance the King's complicity in the erasure of the Palestinian nation, Abdullah's death set in motion a succession transition at the very moment that regional debates over post-colonial republicanism, socialism, and development were reaching a crescendo, a transition that would prove highly consequential to the social structure of accumulation that eventually consolidated in *independent* Jordan.

This transition did eventually conclude with the ascension of King Hussein. Prior to that, however, there was a brief though influential interregnum during which Abdullah's eldest son, Talal, held executive power. Eventually deposed though Talal was[174], the shortness of his tenure

[173] On the temporal and geographic acrobatics that would inform Jordanian citizenship from the start, see Massad (2001), pp.22-92.

Internal to the demographic changes introduced via the absorption of the West Bank and the hundreds of thousands of Palestinian refugees that came to settle on the *east* bank in the aftermath of 1947-1948, moreover, were a series of variables poised to reorder the political, economic, and social foundations of the Kingdom as well. Though the effects of these variables have been occasionally overstated by scholars of this period, the integration of a more industrialized and more cosmopolitan West Bank unambiguously precipitated significant changes in the kinds of political ideas that were being articulated, in the forms of political organization being mobilized, in the nature of capital accumulation, and in the extent to which class came to insinuate itself into all of this.

[174] The official reason for Talal's removal was mental unfitness. Most scholars accept the general veracity of this claim. To the extent that this claim was aggressively pushed by American and British officers who were concerned with the Jordanian left's influence over Talal, however, there are some reasons for being skeptical of these historical accounts. See Massad (2001), pp.166-171 for some details on the various intrigues at play.

did not prevent him from overseeing the drafting of Jordan's second post-independence constitution (the first was codified in 1947).

Promulgated in January of 1952, *Talal's* constitution was as progressive as a constitution enshrining a dynastic parliamentary monarchy can be.[175] Of its positive attributes, beyond articulating a wide range of social, political, and civil rights, the 1952 constitution also delineated a division of powers and established a bicameral legislature comprised of an elected Lower House alongside a Senate directly appointed by the King. To the extent that it simultaneously managed the hermeneutical acrobatics needed to legally reimagine the nation (and its citizen subjects) in the context of massive territorial aggrandizement, it was a document not bereft of merits. Of course, one would be remiss to ignore the shortcomings that were also fundamental to the 1952 constitution. Beyond making the King Commander in Chief, it also rendered the Monarch something of a Schmittian sovereign through assigning his person (rather than the elected Lower House) the power to appoint and dismiss both the Prime Minister and the government writ large. In also providing the monarch with powers of the pursue, with the power to call for elections, and with discretionary kinds of legislative authority—the constitution stipulated that the King could decree legislation by royal ordinance in the absence of parliament and that he could evoke emergency powers more generally should legally underspecified crisis conditions make it necessary—, the constitution's division of powers were nominal in more than one way.[176] When one also considers how the constitution quietly retained sweeping Defense Regulations initially

[175] Russell Lucas, *Institutions and the Politics of Survival in Jordan: Domestic Responses to External Challenges, 1988-2001.* SUNY Press (2005), p.17.

[176] For more on the political implications of this constitution, see Lucas (2005), pp.22-23.

legislated by colonial officers in 1939—regulations written with the goal of aiding the Mandate Authority's efforts in quelling the Palestinian uprisings of the late 1930s—, the rather pronounced limitations of the document come into even starker relief.[177]

These limitations and the dangers they created for Jordan's fledgling democracy were quickly made real upon Talal's displacement in 1953. Ushered into power at the ripe age of eighteen, Talal's heir, King Hussein would initially flirt with many of the same progressive nationalist and pan-Arabist forces as had his predecessor before ultimately yielding—with a push from the Central Intelligence Agency—to the seductions of an autocratic power grab.[178] Taking an alleged coup attempt in 1957 as the casus belli needed to bring Jordan's experiment with popular government to an unfortunate (and semi-permanent) close, his consolidation of power would be swift.[179] Declaring Martial Law on April 24th of that year, Hussein dismissed the government of Sulayman al-Nabulsi and moved shortly thereafter to unwind and repress all the institutional foundations of Jordan's democracy. He was aided in these efforts by a coterie of rehabilitated Mandate era conservatives.[180]

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177 Uriel Dann, *King Hussein and the Challenge of Arab Radicalism: Jordan 1955-1967.* Oxford University Press (1989), p.5.

178 The history of these flirtations and the contingent developments that saw him eventually abandon progressivism is beyond the scope of this dissertation, though it has been subjected to process tracing and thick description by a number of outstanding scholars should it be of interest to the reader
See: Massad (2001), p.165-189.
Asher Susser's *On Both Banks of the Jordan: a Political Biography of Wasfi al-Tall* (Routledge, 1994) contains a number of interesting details as well.

179 It is also worth noting that Hussein had abrogated his country's treaty with Britain and dismissed John Glubb from his perch atop the Arab Legion in 1956 in an attempt at brandishing his pan-Arabist credentials.

180 For histories on these years of political struggle, see Massad (2001), pp.165-194; Dann (1989), pp.21-52

Amongst the juridical maneuvers most essential both to this particular crackdown *and* the subsequent asphyxiation of Jordanian democracy, one need begin with the suspension of parliament, the gerrymandering of later elections [181], and the illegalization of political parties.[182] Herein, the rescindment of the freedom of association was perhaps the most impactful vis-à-vis the long-term health of the polity. By *canceling* political parties, after all, Hussein effectively emptied the public sphere of the one institution capable of stabilizing Jordan's fragile politics during those critical moments when the country was feeling its way through the disorienting initial experience of independence. Leaving the demos without any legal-formal mechanism for mobilizing and articulating collective grievance and aspiration; without any mechanism for conducting the mass education campaigns so desperately needed by a post-colonial polity; without any institution able to represent society in the state as much as representing the state in society; and without any means of integrating bourgeoisie, working class, and lumpenproletariat alike into participatory governance and a pluralist national project, this dissolution of the partisans undercut Jordan's democracy at the very moment it was gathering its feet.[183]

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[181] Dann (1989), p.120

[182] Of course, one should not romanticize the electoral system that had brought Nabulsi's government to power in the first place. Structurally bourgeoisified, the electoral system that voted in the Chamber of Deputies in 1956 had only extended the franchise to taxpayers (therefore property owners) and neither refugee, the bankrupt, nor military serviceman were entitled to the vote. Not withstanding these obvious issues, the Elections Law of 1960, written in the aftermath of the *coup,* would make this exclusivist system appear as an exemplar of representativeness and popular agency.
See Dann (1989), p.6; and Ilan Pappe, "Jordan between Hashemite and Palestinian Identity, in *Jordan in the Middle East, 1948-1998: The Making of a Pivotal State* (eds. Joseph Nevo and Ilan Pappe), 1994, p.70-71 for more details.

[183] What is more, in exempting the Muslim Brotherhood's Islamic Center Charity Society from this otherwise comprehensive crackdown on association, he also assured that they would be the only entity with the organizational infrastructure necessary to thrive in electoral politics when the time came for political liberalization.

Complemented as this maneuver was by repressive Press Laws and the reimposition of censorship across the 1950s and 1960s, one can see how the reproduction of the monarch's hegemony came to be inseparable from the (coerced) political immaturity of his demos—and how the power of the former required the non-realization of the citizen.[184]

Equally fundamental to the political institutionalization of Jordanian capitalism in this period was a wider securitization of politics. With martial law in effect throughout the tumultuous sixteen years that followed 1957, this securitization collapsed the traditional division separating the internal from the external sphere of politics. Institutionally, this collapse was first operationalized through the Army's absorption of policing and domestic security responsibilities in the aftermath of 1957.[185] From this foundation, a more comprehensive securitization of Jordan's politics would follow—as well as a more total dissolution of Jordan democratic institutions—upon the outbreak of two *new* political crises in 1967 and 1970-1971, respectively.

The first of these crises cost Jordan the West Bank and resulted from the King's joining of the Arab war effort against Israel. The loss of territory in turn provided the rationale for continuing the suspension of elections as it was deemed inappropriate and unfeasible that the citizenry go to the polls while half the country was under Israeli military occupation. Though this suspension was introduced as a reluctant and temporary measure, it wound up extending for twenty-two years.[186] If the political system was thereby increasingly disarticulated from the

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184 Aruri (1972), p.150

185 In terms of personnel, regime stalwart Habis al-Majali would be assigned control of the Armed Forces while Muhammad al-Kilani rose to prominence and built a base of power as a highly influential head of domestic intelligence (Massad, 2001, p.202).

186 Ibid, p.97

demos as the 1960s came to a close, the second of the aforementioned crises—the *civil war* pitting the primarily Palestinian Fedayeen against the Monarchy in 1970-1971—cemented the break by introducing entirely new levels of repressiveness, violence, and discrimination into the polity.[187] Having already suspended elections and cracked down on political expression in 1967, Hussein now proceeded to suspend the operations of the (gerrymandered) parliament itself.[188] From 1974 through 1984, the Palace actually governed in the total absence of a legislative counterweight.[189] Not withstanding the extent to which the Lower House had already been rendered a rubber stamp institution, the suspension of parliament was still significant in that it allowed the executive and an emergent set of Palace appointed policy institutions to rule through

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187 Jordan's ethnic Palestinians suffered a number of acute discriminatory effects upon the defeat and eviction of the Fedayeen. This was so despite the fact that the *Palestinian* fedayeen counted many ethnic Transjordanian amongst their number—and despite the fact that the regime's supporters counted many ethnic Palestinians amongst their number. While facile accounts of Black September tend to present this as a conflict pitting Palestinian nationalists against their Jordanian counterparts, the reality was far more complex.

For more accurate depictions of events, see Massad, p.236-248; Yezid Sayigh, *Armed Struggle and the Search for State: The Palestinian National Movement 1949-1993;* Helena Cobban, *The Palestinian Liberation Organisation: People, Power, and Politics;* p.;. Iris Fruchter-Ronen, "Black September: the 1970-1971 events and their impact on the formation of Jordanian national identity", *Civil Wars.*

Regarding these discriminatory effects, in addition to inaugurating a dePalestinization of the state—a policy severely diminishing the bureaucracy's capabilities—, post-1971, Hussein's lieutenants would also uproot Palestinian nationalists from the trade associations, professional associations, labor unions, and cultural groups where they had previously mobilized. In 1986, he would also electorally redistrict those Palestinian refugee camps that were located east of the river Jordan to the West Bank, an act of remarkable cartographic imagination that would treat hundreds of thousands of voters in the vicinity of Amman as if they were residents of Ramallah. At once simplifying the regime's gerrymandering efforts and effectively denationalizing/deterritorializing East Bank-based citizen-subjects, it was a measure foreshadowing the kinds of legal othering of camp Palestinians that would be so eagerly adopted by Hussein's son.

For more on these historical processes, see: Adnan Abu Odeh, *Jordanians, Palestinians & the Hashmite Kingdom in the Middle East Peace Process* (1999); Massad (2001), p.259.

188 See: Susser (1994), p.157-159.

189 Laurie Brand, *Jordan's Inter-Arab Relations: The Political Economy of Alliance Making* (1994), p.71.

royal decree and the unilateral issuance of provisional law. The subsequent entrenching of such governing praxes—a permanentization of the Executive's temporary legislative powers—would become deeply consequential for Jordanian capitalism in the post-1973 context.

If it was not already the case, then, the political crises of 1967 and 1970-1971 would see to it that regime survival came to constitute the singular logic and modus operandi orienting Hashemite governance. With the maintenance of royal power now not only superseding but also subsuming the developmentalist duties of the nation-state, the priorities of the Palace would become increasingly dissociated from those of state and society. The effects of the Palace's divergence from the state were quickly evinced in the domain of economic policymaking. Not withstanding Hussein's effacement of democracy, to his credit, it is worth noting that prior to 1973, the King had not overtly impeded the work of the ambitious, nationalist bureaucrats that had come into influence across the post-independence decades. These *etatistes,* from Mustafa Wahbah al-Tal and his son Wasfi al-Tal to Hazza Majali, Hazim Nuseibeh, Hamad al-Farhan, Munif al-Razzaz, Kamal al Sha'ir, and Ibrahim Habashnah, all sought to build the kind of meritocratic-rationalist state they knew to be necessary for Jordan's long-term development. Many of these individuals had been educated first in Jordan's first secondary school in Salt and later under the guidance of Constantin Zurayk while attending the American University of Beirut.[190] Staffing the Ministry of Economy, these men directed notable successes in land reform, electrification,

[190] Zurayk was one of the pre-eminent intellectuals driving the pan-Arabist trend and championing the victims of the Palestinian nakba during the post-colonial period.

irrigation, and in establishing industrially-focused credit institutions, especially during the years following al-Tal's appointment as Prime Minister in 1962.[191]

Alas, just like Jordan's democracy, the state-building project envisioned by these bureaucrats would come undone under the pressures and changes introduced under the crucible of the late 1960s and early 1970s. As the man most directly responsible for the Palace's war on the Fedayeen in 1970-1971, al-Tal wound up targeted and killed by a Fateh dissident group (Black September) as he made his way to an Arab League meeting in Cairo (1971). With his death, the rationalist-developmentalist movement in Jordan was dealt a blow from which it never recovered. Bound for irrelevance as it already was, this movement's fate was only further sealed once the Palace's coffers came to be filled with secondary oil rents post-1973's OPEC crisis. In the immediate sense, these rents diminished the King's need for a rationalist bureaucracy capable of collecting taxes or planning development projects. In conjunction with al-Tal's demise, this led to the displacement of the nationalist bureaucrats and the rise of a crew of corrupt, reactionary, and largely incompetent regime loyalists at the heart of the administrative state. This new policy elite—principally comprised of Ibrahim Hashem, Samir al-Rifa'i, Akef al-Fayez, Nuri Shafiq, Kamil Abu Jabir, Mudar Badran, Suleiman Touqan, Sharif bin Nasir (the King's uncle), and Bahjat al-

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[191] For more on this generation of policymakers, see: Tell (2013), pp.127-129
Cyrus Schayegh, "1958 Reconsidered: State Formation and the Cold War in the Early PostColonial Arab Middle East", *International Journal of Middle East Studies* (45), 2013; p.429-430.
Paul Kingston "Rationalizing Patrimonialism: Wasfi al-Tall and Economic Reform in Jordan, 1962-1967", in Tariq Tell (ed.) *The Resilience of the Hashemite Rule: Politics and State in Jordan.*
Kingston, Paul. "Breaking the patterns of mandate: economic nationalism and state formation in Jordan, 1951–57." *Village, steppe, and state: the social origins of modern Jordan. London: British Academic (1994): 187-216.*
Susser, Asher*. On both banks of the Jordan: a political biography of Wasfi al-Tall. Routledge, 1994..*

Talhuni— largely dominated government ministries and the Royal Court across the next twenty-odd years.[192]

The State in the Economy: Parallel Institutions and Militarized Rooseveltianism

To understand the *state's* role in the economy during the post-independence period, one need begin with the foreign financed (and foreign managed) parallel institutions that buoyed it throughout. Though not *of* the Jordanian state itself, these institutions ought be included in this section by virtue of the fact that they fulfilled many of that state's social, developmental, and fiscal responsibilities. Functioning so to stabilize Hussein's rule as much as the social formation around him, these parallel institutions—inclusive of the United Nation's Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) as well as the various aid and support initiatives overseen by both the foreign offices of both British and American governments—constituted one of the critical firewalls within the post-war social structure of accumulation.

[192] As I will show in the discussion of the next Jordanian SSA, oriented by the rationalities of regime survival alone, King Hussein would not only undermine his most capable bureaucrats out of fear they might build an independent power base within the state; he would also channel policy making powers into a number of autonomous, politically insulated institutions appointed by (and directly accountable to) the Palace. Sealing the divorce of Palace from state, these institutions and the aforementioned policy elite would make a number of disastrous decisions that are basic to the (under)development of the contemporary economy.

For more on this elite, see: Timothy Piro, *The Political Economy of Market Reform,* pp.79-90.

Foreign Aid: State Building/State Degrading

While helping stave off a humanitarian disaster in the wake of the Palestinian nakba, it is important to note that each of these interventions also functioned so to undermine the long-term development of a rationalist/developmentalist bureaucracy. This undermining effect was partially a function of the *parallel,* largely autonomous, foreign-staffed institutions that were established by UNRWA, the British, and Point Four during the early post-independence period. Adopting, out of necessity, many of the basic roles incumbent upon a sovereign state—from irrigation, water systems, infrastructure, and development policymaking to the entirety of the refugee portfolio—, the many successes these institutions realized in Jordan always implied a tacit though commensurate decline in local capacity building.

What is more, given that many of these institutions also poached the Jordanian state's most high skilled labor, their consolidation did more than preclude the Jordanian state from doing (or *learning* to do) many of the jobs required of a sovereign government. It also led to a quiet asset stripping of the Jordanian bureaucracy. To the extent that these autonomous institutions' management of critical public policy areas allowed the Palace to devote its energies towards patronage-related activities as well, they also indirectly contributed to the non-efficient patrimonialism that would come to bedevil Jordanian governance throughout the next sixty years. In many ways, then, the cost of stabilizing the Jordanian polity, economy, and social body, was the undermining of the sovereign state, the deepening of that state's external dependence, and the embedding of corruption. Though these effects were mitigated during those years when al-Tal et al retained influence at the Palace, they have been prevalent across Jordan's post-colonial period (up and through the present day).

Proceeding sequentially, UNRWA was founded in 1949. As its name suggests, this was an entity whose institutional raison d'etre was to provide for the material needs and *human development* of the 700,000 Palestinian refugees ethnically cleansed upon the foundation of the Israeli state in 1947-1948 and subsequently dispersed across Gaza (then under the control of Egypt), the West Bank (under the control of Jordan), East Bank Jordan, Syria, and Lebanon.[193]

[193] It is worth noting that UNRWA was widely criticized in the Arab public sphere during its early years of operations. The typical charge was that the institution and its backers amongst western governments were attempting to normalize the refugee crisis (and the Israeli state) through economic development projects designed to embed the Palestinian diaspora within their host countries.

In Jordan, this mandate was operationalized through the swift construction of what became known as the UNRWA *blue state,* a sprawling infrastructure designed to *govern* and *care* for the country's numerous camp-based refugee populations. To give some perspective on the scope of UNRWA's remit, though representing only a fraction of the total Palestinian refugee population in Jordan, camp-based, UNRWA-registered Palestinians still constituted upwards of 35-40% of the national population at the time.

The purview of UNRWA's welfarist responsibilities extended from matters of shelter and education to nutrition and health. In a controversial synthesis of welfare, international politics, and development, the *blue state* also pushed a works program in its early years meant to embed the former peasantry of Palestine into the economy of Jordan—thereby easing (or normalizing) the permanentization of their exile. Regardless, economically speaking, the totality of UNRWA's efforts clearly functioned to prop up aggregate demand and to contain the disruptions and social antagonisms that might have otherwise been introduced.[194] Not withstanding the blue state's other developmental demerits[195], then, it most certainly bolstered post-independence capital accumulation.

On UNRWA's role in the post-colonial history of the Levant, see: Riccardo Bocco. "UNRWA and the Palestinian refugees: a history within history." *Refugee Survey Quarterly* 28.2-3 (2009): 229-252.

Michael Kagan. "The UN Surrogate State and the Foundation of Refugee Policy in the Middle East." *UC Davis J. Int'l L. & Pol'y* 18 (2011): 307.

194 For a summary of UNRWA's economic and social interventions, see: Anne Mariel Peters and Pete Moore, "Beyond Boom and Bust: External rents, Durable Authoritarianism, and Institutional Adaptation in the Hashemite Kingdom of Jordan", *Studies in Comparative International Development* (44:3), 2009. pp.269-274.

195 These demerits are discussed in the text box on the previous page. To the points made there I would only add that completely necessary and effective as UNRWA's caregiving was when it came to dealing with a rather profound humanitarian crisis for which none of the post-colonial Arab states (Jordan included) was prepared to

The same multisided effects could be attributed to the material supports, expertise, and personnel that the British and the American governments provided the Jordanian state in these years. The influence of the British was most apparent between 1946 and 1956, and nowhere more so than in the domains of security and defense, each of which remained the personal preserve of the now seconded British military officer John Glubb.[196] Beyond Glubb, British representatives of the Middle East Office also continued dictating development policymaking across the mid-1950s through their stewardship (and financing) of the Jordanian Development Board. Handling the allocation of (British-issued) development loans and military aid and determining the priorities of the Kingdom's pubic investments, these officers oriented the trajectory and structure of Jordanian economic development during the first decade of the country's independence as much as anyone else.[197] Once the British finally started beating their more generalized retreat from the region—a withdrawal further hastened by the disaster of 1956's Suez Crisis—, the Americans quickly stepped into the void by taking over the directorship of the Jordanian Development Board, increasing direct budget support, and initiating programmatic operations through the United States Operating Mission and its Technical Cooperation Agency (colloquially referred to as Point Four). Specific to budget support, US external assistance to Jordan between 1956 and 1967 constituted roughly 20% of annual Gross National Income.[198] Equal in percentage to the revenues then being collected by the state and

handle on their own, it nevertheless holds that the sheer magnitude of their operations could not help but constitute a challenge to Hashemite sovereignty over time.

196 Peters and Moore (2009) cover this period of Jordanian history well. See: pp.266-267.

197 For more on their influence, see Knowles (2001), pp.59-62.

198 As cited in Zimmerman (2017), p.152.

financing nearly all of Jordan's capital spending, this support underwrote the solvency of the post-colonial state to no small extent, and with it, the prospects of capital accumulation.[199]

Moving beyond these rather crude and direct (if also essential) interventions, Point Four's collaborations with the Ford Foundation also saw to it that the terms of Jordan's long-term economic planning—as delineated in a series of five and seven year development plans—were more subtly dictated by American hands as well. Grounding Jordan's policy approach in the teleologies of modernization theory, the planning assistance that was provided by these foreign institutions (as well as by the World Bank) anchored Jordan's development strategies to the tenets of static comparative advantage and the agricultural investments those tenets required.[200] Though helping secure some degree of capital accumulation, by leaving little investment for industrialization, American planning also helped nudge Jordan towards a particular modality of export orientation—one that would tend towards volatility and declining terms of trade over time. Nor did the negative (if unintended) consequences of American intervention in Jordan end at the planning process. By offering salaries well in excess of what was on offer in the bureaucracy—and by operating in isolation from that bureaucracy as well—, Point Four (like contemporary USAid and INGO projects) also contributed to the stunting of the Jordanian state.[201]

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[199] On Point Four's impact, Schayegh (2013) and Kingston (2001).

[200] Along with the IBRD, Point Four and the Ford Foundation would largely delineate the contents of the 1962-1967 5 Year Plan for Economic Development and the 1963-1970 7 Year Plan for Economic Development. For more on the influence that *foreign experts* had on Jordanian policymaking, see: Masri (2005), p.133

[201] As detailed by Kingston (1994, p.208), Point Four employed over 1500 individuals at salaries well beyond what the Palace-deprived state could afford. In so doing, its somewhat well-intended operations reduced the talent available to the state, and thereby reduced the chances of Jordan developing the meritocratic bureaucracy it so deeply needed.

In addition, by allowing the Palace to manipulate aspects of its development projects so to funnel rents into the pockets of their networks of privilege, American *parallel institutions* also helped entrench the elite-oriented patrimonialism that would compromise Hashemite development efforts across the next seventy years.[202] For all these reasons, auditing the ultimate legacy of this era of American interventionism is highly complicated, as the effects born of budget aid and infrastructure development came to be partially offset by those derived from Point Four's contributions to both Hashemite corruption and to the enduring immaturity of the Jordanian state.[203]

As for the economic interventions undertaken by the Hashemite regime itself in this period, one should begin with matters of fiscal sociology. As the tables on the next page evince, indirect taxes and fees dominated the revenue side of the state ledger during the period under question. Unwilling or unable to institutionalize progressive income and/or corporate tax measures, this revenue strategy ensured that the fiscal sociology of independent Jordan was grounded in the same class-biased, upwardly oriented foundations as was the fiscal sociology of Mandate Jordan.

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202 Zimmerman (2017, pp.110, 149) and Peters and Moore (2009, p. 271) have both developed this point. While certainly helping a great many small farmers, the Point Four-led East Ghor Canal Project, for example, also provided a massive public subsidy for those mega farms and properties that had been conjured and awarded to political allies, whether by King Hussein or his predecessor. In 1955, Hussein distributed 2000 acres of Jordan Valley Land to loyal tribesmen serving in the Officer Corps. Similarly, a substantial, $166 million Point Four financed food aid project—the terms of which were laid out in Public Law 480—intended for the benefit of Jordan's small farmers also wound up financing the estates and luxury imports of the King's friends.

203 For instance, the planning, construction, and management of hydraulic and irrigation infrastructure as well as transportation networks were undertaken by institutions autonomous and disconnected from the state. Indeed, US money and personnel that undertook the massive East Ghor Canal project, the most ambitious effort of the 1950s and a project that would eventually delivered water to 750,000 people in the Jordan Valley (Peters and Moore, 269).

Sources of Domestic Revenues, 1953-1966

Unit: Percentage

	Direct Taxes	Indirect Taxes	Fees	Other Receipts	Total
1953/54	13.49	50.01	11.08	25.42	100
1954/55	11.92	50.48	10.03	27.57	100
1955/56	11.75	47.91	12.4	27.93	100
1956/57	13.53	45.64	11.4	29.43	100
1957/58	12.33	46.5	10.21	30.96	100
1958/59	10.36	44.73	10.62	34.28	100
1959/60	9.84	46.25	12.15	31.76	100
1960/61	10.18	46.08	12.1	31.64	100
1961/62	9.11	36.95	8.81	45.13	100
1962/63	11.22	45.08	10.23	33.48	100
1963/64	9.13	42.59	9.02	39.26	100
1964/65	10.02	47.17	11.45	31.36	100
1965/66	10.1	52.88	9.96	27.06	100

Allocation of State Expenditures (1953-1966)

Unit: Millions (JD)

	Civilian Services	Defense	Public Security	Current Expenditures	Development	Total
1953/54				13.27	2.12	15.39
1954/55				13.87	2.69	16.56
1955/56	4.34	9.35	1.28	14.97	2.76	17.73
1956/57	4.77	12.13	1.36	18.26	3.06	21.32
1957/58	6.59	11.33	1.64	19.56	4.3	23.86
1958/59	6.79	14.66	2.07	23.52	5.82	29.34
1959/60	7.85	15.81	2.34	26	4.8	30.8
1960/61	8.44	16.15	2.27	26.86	5.98	32.84
1961/62	9.34	16.42	2.29	28.05	4.94	32.99
1962/63	10.82	16.8	2.31	29.31	7.6	37.53
1963/64	12.18	18.57	2.45	33.2	6.15	39.35
1964/65	13.43	18.57	2.46	34.46	9.17	43.63
1965/66	14.12	18.76	2.84	35.72	11.27	46.99

Data originally provided by Ministry of Finance.[204]

[204] I specifically gathered the data in these tables from Masri (2005), Appendix 4, Tables 1 and 4.

Partially evening out the social effects of this revenue strategy, however, was the allocation of state expenditures. This is because the millions that were spent on the civilian service, defense, and public security (and that were documented in the table above) largely functioned as a mechanism for public sector job creation.[205] Helping manage the disruptive potential of the country's surplus populations and stabilize the larger political economy in the process, the public ledger financed a tripling of military employment[206] and a near tripling of the Civil Service.[207] Though relatively small in scale in view of what was to come, this institutionalization of a quasi- (and militarized) state job guarantee generated enormous social dividends, particularly for the most vulnerable. In view of the economy's lack of an industrial base and the low levels of labor market demand that this implied for low and semi-skilled workers, the effects of these expenditures were even more pronounced. Complementing the contributions the aforementioned *parallel institutions* had made in securing the welfare of camp-dwelling Palestinians (if only at a basic level of subsistence), Hussein's public employment efforts too provided a bulwark upon which the country's low growth, peripheral capitalism could stand, however precariously.[208]

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[205] See: Pete Moore, *Doing business in the Middle East: Politics and economic crisis in Jordan and Kuwait*. Cambridge University Press, 2004. p.8

Between 1955 and 1960 alone, annual defense expenditures increased by 74%. With the vast majority of these expenditures being allocated for the purposes of expanding the constellation of forces initially established by John Glubb (rather than for upgrading equipment), military spending increases allowed for a substantial increase in public sector employment.

[206] This tripling of military employment occurred between 1960 and 1975. It is documented by Lawrence Tal, *Politics, the Military, and National Security in Jordan: 1955-1967.* Palgrave Macmillan (2002), p.75.

[207] Piro, p.66: Civil service employment nearly tripled between 1960 and 1985.

[208] Representing one of the state's time invariant praxes of mass-oriented action henceforth, the social efficacy of the Hashemite's preferred form of public employment continues to be compromised by its economic inefficiency.

State-Capital Relations

As touched on in the previous section, *parallel institutions* and foreign aid went a long way towards securing the welfare of Jordan's lower classes in the post-independence period. One of the externalities borne of this was that the Palace, not having to secure those lower classes themselves, was free to engage with the business classes without concern for either economic efficiency or social peace. Consolidating a highly conciliatory form of state-capital relations, the cronyist partnership that resulted would generate high profit rates for a discrete group of politically connected economic elites. At the same time, however, this cronyism also prefigured the economy's long-term underdevelopment by deepening the import/consumption dependence[209] of both the capital accumulation process and the public revenue system. The consolidation of an economy biased against productive activities would also engender significant and multiform political consequences as well.[210]

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209 In continuing to indulge in non-productive activities, moreover, it is important to note that Jordan's merchants met little political resistance. Due to the fact that the state's revenue strategy at this stage was dually premised on external aid and its capacity to levy duties on goods coming into the country, this import dependency was actually sanctioned (if not explicitly encouraged) by policy choices. The institutionalization of such a sub-optimal quid pro quo, one where the business elite and the state both became increasingly invested in a consumption-based, import-heavy growth model, was, of course, developmentally disadvantageous. While there are a great many issues with import substitution industrialization and non-market oriented protectionist industrial policies more generally—and while Jordan's smallness, both in population and in capital stock, was always bound to limit the country's industrial growth—, it nevertheless holds that Jordan's long-term prospects at this stage still unavoidably hinged upon policymakers and business elites finding a way to build an industrial base. Indeed, like was the case for any other late developing economy at mid-century (particularly one without any significant natural resources), industrialization provided the most viable path to technological catch-up, to increasing the complexity of the country's export basket, and to improving the country's terms of trade. By foregoing requisite levels of industrial investment, the import-based accord bonding this fraction of the domestic capitalist class to the state prefigured the country's enduring underdevelopment.

210 Concentrated work forces, shop floor political education, and the establishment of labor parties are all conducive to the democratic process because they all help to integrate and socialize the working classes in a manner befitting the stability of the wider political system. The absence of concentrated work forces, shop floor political

State-capital relations of this sort were consolidated and institutionalized across a number of different spaces. At the level of policy planning, merchants of quota coterie stock were appointed to the boards of the Industrial Development Bank (a Public-Private Partnership founded in 1965), the National Planning Council (which had replaced the Jordan Development Board as of 1971), and the Housing and Urban Development Corporation (1966). This same clique also filled the leadership of the Central Bank of Jordan, which was founded in 1964 upon Jordan's departure from the Sterling Area.[211] Leveraging the influence these perches provided, Jordan's merchant capital were able to influence trade policy in particular so to ensure that the Palace maintained the *openness* and the system of (monopolized) import licenses that had served them so well during the war years.[212] These actors were also able to insert themselves into the industrial (commodity-based) investments that the Jordanian state and its international partners inaugurated in these years. Offered equity shares in considerable excess of the actual capital they invested in enterprises like the Jordan Cement Factory, this privileged fraction of the capitalist class were able to secure significant (state-backed) annual dividends while taking on limited personal risk. As the dividends earned on said investments were also tax-free—and as each of Jordan's big five (commodity-based) industrial assets was awarded a domestic monopoly on extraction rights—, these earmarked equity holdings came with a number of secondary added

education, and labor parties—all of which were partially derived through Jordan's lackadaisical industrialization—, left the political process without any means for integrating and socializing the working classes in a manner befitting democracy.

211 For more on all these institutions, see Knowles (2001), pp.89-99.

212 Said licenses would now extend into new, *modern* products like automobiles.

benefits as well.[213] When one also considers the effect of a 1964 reform to the tax code that provided exemptions on income derived from land sales and property rentals—a reform positioning these same merchants to capitalize on the remittance-derived real estate speculation that would take hold during the 1970s[214]—, one can begin to understand why a British diplomat, observing the Jordanian economic elite of the 1960s, came to describe them as a "commercial junta."[215]

Form of Market Competition

As one may have surmised from the previous review of state-capital relations, market competition in Jordan strayed rather far from the Jeffersonian ideal. Given that the economy was dominated by commerce[216], the fact that political influence (and one's social proximity to the Palace in particular) was sufficient for securing an individual exclusive import or distribution licenses meant that a handful of actors were able to establish hegemonic positions across most retail, wholesale, and trade-based sectors of the economy.[217] Leveraging the capital accumulated

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213 For more on these elite-oriented industrial policies, see: Oliver Wils, "Competition or Oligarchy? The Jordanian Business Elite in Historical Perspective", in *Management and International Business Issues in Jordan* (2001), p.126.

Also, see Piro (1998) pp.37-54.

214 Zimmerman (2017), p.111.

215 Wils (2001), p.135.

216 Masri's study shows that as of 1973, over 2/3 of all private enterprises with equities over 20,000 JD operated in commerce, and 40.9% of total private capital was invested in commerce (245).

217 Leveraging political influence into exclusive licensing arrangements in much the same manner as they did during the days of the Middle East Supply Centre, the post-independence period would see the country's old money

through their commercial successes, moreover, these same actors were subsequently able to secure dominance over the country's emergent banking, insurance, and construction sectors as well.[218] By consequence, the market structures that prevailed in most areas of the economy during the 1946-1973 period are best classified as oligopolistic or monopolistic in nature. As the capital requirements for industrial ventures were beyond the means of most private sector enterprises—and as the state had awarded monopoly extraction rights to the largely publicly owned phosphate, potash, cement, and oil and gas companies established in this period—, markets in these sectors gave host to precious little competition as well. The aggregate effects of this larger system, then, were to disarticulate profits from matters of risk and innovation, to deepen the economy's consumption dependence, and to render market competition a simple competition for rents. And while the post-independence form of market competition—underpinned by conciliatory state-capital relations and intracapital relations wholly dominated by an elite fraction—was sufficient to grease the accumulation process for a time, it did so by depriving the economy of the actual productive and creative energies it needed for long-term development.

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maintain its control of *traditional* retail and wholesale markets and colonize many of the emerging import markets wrought by Jordan's *modernization* (Masri, p.283). The most lucrative of these new markets was that of automobiles, where the Mango, Mu'asher, Taba'a, and Dajani families exploited local monopolies to extract sizable rents (Debruyne, 2012, p.132).

[218] Though not operating through the same corporate structure as the multisector family owned corporations that emerged in South America in these years, the cross-sector business holdings and investments of this fraction of the capitalist class were nonetheless significant. Having taken up prime position in construction and finance as well, the merchants' migration from an exclusive focus on commercial activities would stand them ready to thrive during the massive real estate boom that commenced following the injection of Gulf capital in the post-1973 period.

As for the oligopolists and monopolists themselves, one would be unsurprised to learn that the elite-dominated form of state-capital relations previously detailed wound up working to the benefit of the Mandate era *quota coterie.*[219] As demonstrated in Masri's magisterial study of the Jordanian bourgeoisie, by the middle of the 1960s, this narrow elite of roughly forty-odd families still collectively controlled over 54% of the aggregate capital in the economy.[220] Herein, the Asfur, Sha'sha'a, Mu'asher, Abu Hassan, Abu Jaber, Malhas, Haddad, Hattahit, Shuman, Ali Bdeir, Bilbeisi, Mangu, Masri and Abu al-Raghib families remained especially prominent.[221] This continued concentration of immense wealth in the hands of a select elite thereby widened the internal fractures that had opened within the domestic capitalist class back in the 1940s.

Social Control

As mentioned, the constitution promulgated during Talal's brief reign in 1952 was a relatively progressive one. Specific to workers, Article 23 asserted that "Work is a right for all

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219 A small number of individuals did manage to break into the higher reaches of the bourgeois elite in this period. Generally speaking, they did so through successes in the construction, manufacturing, and/or transportation sectors (Masri, p.295).

220 Masri's figures are calculated through measuring the aggregate equity share that these families held in all extant private and public enterprises above a baseline capitalization of 20,000 JD (pp.245, 292).

221 See: Masri (2005), p.275-277.
Disaggregating these figures down to the level of individuals, Masri's comprehensive survey of archive data at the Ministry of Trade would show that a mere 179 individuals held 57.2% of all private sector equity in this period. Widening the lens just a bit further, the same analysis would reveal that 768 individuals collectively possessed a full 80% of total private sector equity.

Regarding Masri's methodology, it is worth noting that his calculations excluded the equity holdings of small firms with capitalization's of under 20,000 JD.

Jordanian citizens, the state has to secure it by steering the national economy and supporting its growth." It also contained a number of provisions establishing basic rights vis-à-vis working hours, paid annual leave, unionization, child labor, and social protections in the event of termination, sickness, or injury. By consequence, there was a juridical foundation in place at the very start of the post-independence period upon which emergent working classes could advance their collective interests and upon which a larger social peace might be consummated.[222]

Following the passage of the Labor Trade Unions Law No.35 in 1953, a piece of legislation establishing that any group of seven or more (whether united by profession or place of work) had the right to unionize and to strike, a rather robust trade union movement did, in fact, rise and consolidate considerable influence in the hopeful and democratic environs of pre-1957 Jordan. By 1954, six of the earliest trade unions coalesced so to form the General Federation of Jordan Trade Unions (GFJTU), and working class organizational life really began to flower. Within a year of the GFJTU's foundation, the total number of state-recognized labor unions had grown to thirty-six, twenty-five of which were member to the General Federation. Adopting an active political role as well, Jordan's early labor and trade unions were major allies of the nationalist, pan-Arabist, and leftist parties then thriving during Jordan's brief democratic opening. Allies to the government of Suleiman al-Nabulsi in particular, the labor union movement backed the Prime Minister as tensions escalated with the Palace—and as the Palace opted to execute its coup against him in April of 1957.[223]

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222 Hani Hourani, *The Jordanian Labour Movement,* Friedrich Ebert Stiftung (2002), p.12.

223 Hourani (2002), pp.12-15.

Given these allegiances, it would be unsurprising when the King's generalized post-1957 counterrevolution, imposition of martial law, and cancelation of democracy brought Jordanian labor into the crosshairs of Jordan's reactionary turn. During the crackdown of the late 1950s and early 1960s, many labor leaders were forced into involuntary exiles in Syria and Egypt. Having ascribed communist agitation not only to the leadership cadre but also to the union as an institution, the Palace would next launched a more wholesale campaign against the GFJTU and its membership. By consequence of these machinations, as of 1961, the number of active unions in Jordan was reduced from the 1956 high of thirty-nine to a mere sixteen. Through such a culling, the number of workers represented by unions was reduced to a total of 9,000.

The political thawing that began later that same year (1961) did briefly reverse labor's fortunes, especially following the promulgation Labor Law no.21. Within five years, the number of unions recognized by the government had recovered to a healthy figure of forty. Within nine years, union membership rolls quadrupled from the lows of 1961 as well.[224] Alas, what political moments giveth political moments taketh, this time upon the outbreak of 1970-1971's *civil war.* Having aligned themselves with the Fedayeen—an unsurprising outcome given that the unions represented many of the same leftist forces, Transjordanian and Palestinian, as did the paramilitary groups—, the regime had the justification it needed to move against the labor movement with unprecedented levels of force and comprehensiveness.

The post-1970 repression of the trade unions—and the post-1970 institutionalization of social control in Jordan—was carried out in a number of steps. To begin, following Black

[224] Ibid, pp.13-14

September, labor issues would subsequently come under the jurisdiction and authority of a special department at the General Intelligence Directory (GID). This administrative reorganization meant that the *workers' portfolio* came to be dealt with under the rationalities of domestic security. Subjected to the tactile and coercive prerogatives of the Jordanian *mukhabarat,* the activities of working class institutions would swiftly ground to a halt.[225] Complementing the physicality of this first dimension of post-1970 social control were a host of more subtle interventions as well. In 1971, the Ministry of Social Affairs and Labor dissolved the democratically elected Executive Committee of the GFJTU and replaced it with a committee of comprised of government selected appointees. Building upon this move against labor's leadership class, through a series of subsequent temporary laws (specifically, Temporary Labor Law 67 and Decree 14/K1/1971), the Ministry next granted itself the authority both to interfere in the internal affairs of the trade unions and to disestablish those unions deemed political active or involved in the "propagation of destructive ideologies."[226] In this manner, the less docile amongst Jordan's trade unions were either disbanded or merged with a more obedient outfit; within a year, the total number of unions operating in the country was reduced to seventeen. What is more, as a troika comprised of the Ministry of Labor, the GFJTU, and the Chambers of Commerce and Industry were simultaneously empowered to adjudicate the recognition of any subsequent unionization efforts, that state's interventionism also allowed for a tight regulation of the freedom of association going forward. Wielding these regulatory powers with an iron fist, since 1971, the

[225] Ibid, p.69

[226] Ibid, p.15

state has refused to recognize a single new union beyond the co-opted seventeen under its thumb.[227] In addition to investing itself with the authority to issue injunctions against strikes and the power to levy fines and criminal charges against strike organizers and participants, the Ministry would also illegalize strikes in vital industries at this time.[228]

Through a number of administrative and legal maneuvers, the independence, representativeness, and political efficacy of the Jordanian trade union movement was brought to a decisive, unambiguous end.[229] With a docile, co-opted elite placed in positions of leadership within the individual unions and within the GFJTU, social control would henceforth be preserved through the Ministry's maintenance of this disarticulation between Jordan's labor institutions and the country's working class life.[230]

External Articulation: Engaging with the regional and international economies

The external articulation of the Jordanian economy during this period was defined by two principal attributes: (1) A modality of regional and global integration that was generative of structural trade deficits and (2) A budget strategy that rendered the state fiscally dependent on external sources.[231] Regarding the first of these attributes, while a number of tariff-related

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227 Ahmad Awad, "Jordan's Paradoxical Approach to Trade Unions", Phenix Center Report (2017), p.4

228 Aruri, p.108; Hourani, p.70.

229 Ibid, pp.15-21

230 Awad (2017), p.2.

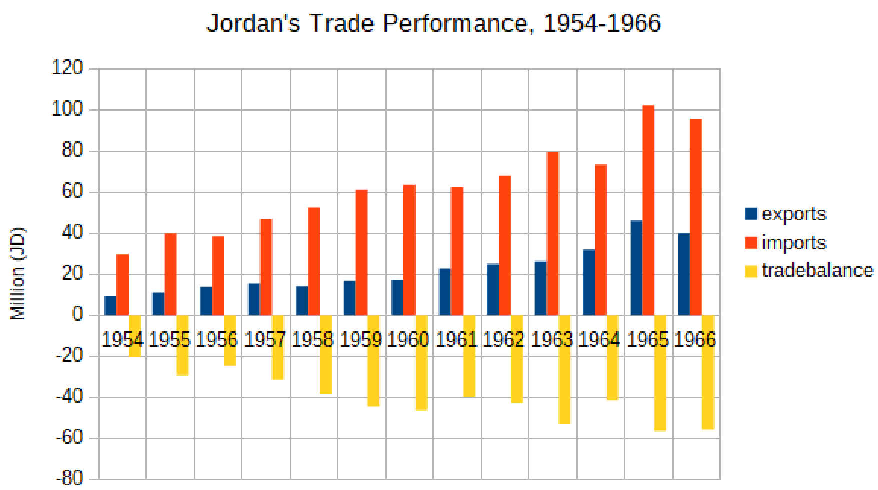
231 It is also worth noting how the state's budgetary dependence (and the more general dependence of the state) manifested in the security sector. The *martial* dependence of the state was of course best personified by Pasha

restrictions on trade were imposed throughout the period under examination, such measures were primarily implemented for the purpose of revenue generation (rather than for the purpose of nurturing domestic industry). Staying well away from the import substitution industrialization (ISI) models then en vogue throughout the third world, Jordan largely accepted the conventional, US-backed wisdom of comparative advantage when it came to trade policy. The adoption of this trade strategy resulted in unprecedented inflows of consumer items[232] (as well as increased inflows of capital goods) and the consolidation of an export basket comprised primarily of agricultural goods as well as volatile, relatively low-priced commodities such as potash and phosphates.[233] The content and magnitude of these respective inflows and outflows yielded consistent and considerable trade deficits. By 1964, the annual deficit on the trade balance had reached JD 40.7 million. Two short years later, it had jumped all the way to JD 56.8 million. As of 1973, it climbed within a few whiskers of JD 100 million.

John Glubb, who retained authority over the Jordanian Armed Forces up and through 1956. It would continue, moreover, even after Glubb's dismissal and the abrogation of the Jordan's military treaty with Britain. It was the Americans and Dulles' State Department that materially secured the King when he made his move against the Nabulsi government in 1957. It was British paratroopers that landed in Jordan in 1958 following the coup against the Iraqi King, moreover, further continuing the externalization of Hussein's praetorian guardianship (Dann, 89-90). Finally, it was the Americans and, covertly, the Israelis that again secured the regime against the Palestinian Fedayeen and their international supporters in 1970-1971.

232 Imports increased by 36% between 1964 and 1966 alone. During this period, the rate of growth seen in the aggregate value of imported consumer items outpaced population growth rates (Masri, 142).

233 Between 1964 and 1966, agricultural goods (fruits, vegetables, and olive oil, primarily) constituted 58% of all commodity exports. Subsequent to that, phosphates (and its derivative products) came to dominate the export ledger.
Masri, p.141



Data originally provided by Jordanian Department of Statistics.[234]

Structure of Jordanian Imports (1967-1973)
**** Unit: Thousands JD***

	Current Consumer goods	Durable Consumer Goods	Total Consumer Goods	Crude Materials (Oil, fuels, etc.)	Machinery and Capital Goods	Miscellaneou s	Grand Total
1967	21986	1884	23870	13722	14774	2683	55048
1968	25502	2104	27606	12213	13922	3751	57492
1969	30390	3497	33887	14593	15239	4033	67752
1970	28673	4352	33025	15144	13375	4338	65882
1971	28753	4668	33441	13612	17614	11960	76627
1972	40411	5876	46287	18772	18626	11625	95310
1973	44202	6395	50597	22206	20239	15158	108200

Structure of Jordanian Exports (1967-1973)
**** Unit: Thousands JD***

	Current Consumer goods	Durable Consumer Goods	Total Consumer Goods	Crude Materials (Oil, fuels, etc.)	Machinery and Capital Goods	Miscellaneou s	Grand Total
1967	5796	81	5877	3897	167	43	9984
1968	6823	91	6914	5039	177	42	12172
1969	6993	92	7085	4582	206	43	11916
1970	5996	64	6060	2949	309	2	9320
1971	5379	71	5450	2955	375	37	8817
1972	6129	67	6196	5914	496	0	12606
1973	6716	110	6826	6669	474	41	14010

Data originally provided by Jordanian Department of Statistics[235]

[234] I specifically gathered the data for these charts from Masri (2005), Appendix 4, Table 8.
[235] I specifically gathered this data from Masri (2005), Appendix 4, Tables 21-25.

As for the government's balance sheet, external budgetary dependence not only left the state in a position where its development ambitions (and capital spending more specifically) were at the whims of foreign donors[236]; it also greatly affected the foreign policy choices available to Jordan's policymakers. The regime's reliance on Gulf budgetary aid, for instance, pushed the King into a bind where he was forced to dispatch Jordanian military to Saudi Arabia and Kuwait for the purposes of training those countries' respective militaries—and for the purpose of staffing the personal security of the two royal families.[237] Though Brand and Ryan have showed how deft the King proved in managing the Israeli question and the different players in Arab regional conflicts in the post-1973 period, the state's incapacities when it came to raising domestic revenues nevertheless meant foreign policy decisions would always needed to be evaluated through consideration of the interests of Jordan's foreign sponsors.

Sources of Government Revenues, 1953-1966[238]
Unit: % of Total

	Domestic Revenue	External Budget Support	Development Grants	Foreign Loans
1953/54	36.19	63.81	0	0
1954/55	42.44	57.56	0	0
1955/56	42.31	47.51	1.75	8.43
1956/57	41.14	43.89	7.58	7.39

236 Britain provided the main source of budget support to Jordan prior to 1957, at which point the United States took on the brunt of the responsibility. Though essential to the maintenance of Hussein's rule in the aftermath of his coup against the Nabulsi government, once confident that leftist forces were no longer capable of threatening the monarchy, American assistance eventually began declining (and sharply so). This left post-1962 Jordanian governments with a shortfall in revenue, a shortfall they would only be able to make up following 1967 (and the influx of Gulf support) and 1970's Black September (and the re-influx of American support).

237 Brand (1994), pp.87-93; 124-134.

238 Data originally provided by Ministry of Finance. I specifically gathered this data from Masri (2005), Appendix 4, Table 3.

1957/58	38.95	55.85	3.86	1.33
1958/59	35.57	53.58	7.16	3.69
1959/60	42.03	48.58	1.51	7.87
1960/61	44.01	52.27	3.56	0.16
1961/62	44.05	48.61	5.86	1.48
1962/63	54.31	37.81	2.63	5.25
1963/64	53.3	38.5	4.62	3.58
1964/65	51.57	29.6	3.72	15.1
1965/66	59.95	28.8	5.45	5.81

Jordan's Foreign Patrons (1964-1973)

Units: Thousands of JD

Tables provided by Brand (1994), pp.44-45

Foreign Loans

Development Loans (Part 2)

Other	Japan	Arab Fund*	Saudi Arabia	U.S.A.I.D.	Kuwait	West Germany	Total	Foreign Loans of (Part 1)	Foreign** Assistance	Grand Total	Year
1,219	—	—	—	—	587	170	1,976	5,000	15,407	22,383	1964/65
1,512	—	—	—	—	869	206	2,587	—	15,272	17,859	1965/66
940	—	—	—	75	1,011	139	2,165	—	9,883	12,048	1966
906	—	—	1,505	747	628	506	4,292	—	40,409	44,701	1967
1,145	—	—	1,500	265	174	1,367	4,451	—	40,199	44,650	1968
1,448	—	—	1,499	1,016	594	26	4,583	—	38,377	42,960	1969
411	—	—	500	1,309	265	—	2,485	—	35,424	37,909	1970
1,933	—	—	357	772	903	541	4,506	3,430	35,386	43,322	1971
2,197	—	—	—	1,940	763	2,500	7,400	1,103	44,455	52,958	1972

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Deficit (-)	Expenditures			Revenues and Reciepts						
Surplus (+)	Capital	Recurring	Total	Internal Loans	Foreign Loans	Loans Repaid	Foreign Assistance	Domestic Revenues	Total	Year
2,587	9,166	34,458	43,624	0	6,976	0	15,407	23,828	46,211	1964/65
-2,397	11,178	35,810	46,988	0	2,587	0	15,272	26,732	44,591	1965/66
-3,242	10,360	28,240	38,600	0	2,165	0	9,883	23,310	35,358	*1966
2,051	23,496	44,651	68,147	0	4,292	226	40,409	25,271	70,198	1967
-9,502	23,334	57,186	80,520	0	4,451	99	40,199	26,269	71,018	1968
-3,873	23,170	65,231	88,401	8,400	4,583	648	38,377	32,520	84,528	1969
-7,906	21,678	59,028	80,706	4,200	2,485	431	35,424	30,260	72,800	1970
8,099	22,442	60,706	83,148	12,100	7,936	70	35,386	35,755	91,247	1971
-800	30,985	70,467	101,452	5,000	8,503	135	44,455	42,559	100,652	1972
-5,525	40,903	78,608	119,511	10,750	11,446	0	45,608	46,182	113,986	1973

Ideology

In legitimating both the Jordanian modality of capitalism and the Hashemite's stewardship of the economy and nation during this period, King Hussein et al adopted a number of different ideological scripts. Regarding political legitimacy, he and his Palace initially played up the King's pan-Arabist credentials—primarily so to fend off the Nasserist challenge. Between 1948 and 1969, the regime also positioned the King as the unifying personage embodying and guiding the Palestinian-Jordanian union.[239] In the aftermath of 1970-1971, political legitimation pivoted towards Transjordanian chauvinism, tribalism, and traditionalism with a touch of religiosity.[240]

Unsurprising given his regional alignment with a royalist, conservative axis and given Jordan's positioning on the American side of the Cold War, Hussein et al.'s ideological positions on the economy partially drew upon liberal tropes regarding markets and businessmen. This was most obviously evinced in the efforts he and his chief policymakers took to interpellate the domestic bourgeoisie as the singular agent of development and progress—, as was evinced in the fawning treatment the private sector was given in each of the three, five, and seven year economic plans published between 1962 and 1986.[241] Along with articulating these more *liberal* positions,

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239 Mohammed Ali Oudat and Ayman Alshboul, "'Jordan First': Tribalism, Nationalism, and Legitimacy of Power in Jordan", *Intellectual Discourse* (18:1), 2010, p.73.

240 Robert Satloff, *From Abdullah to Hussein,* p.49-50. See also: Massad (2001), pp.207-263,

241 Each one of these documents invariably pronounced that the private sector would be the key to development and that the private sector would take the lead in terms of productive investment.
This was so, of course, despite the Jordanian bourgeoisie having abnegated the historical role traditionally incumbent upon its class, an abnegation manifest in both the Jordanian business class' rent seeking, its disinterest in industrial investment, and its disinterest in democratic governance.

Hussein et al were was also consistent in making ideological appeals grounded in the post-colonial liturgy of welfarism and developmentalism. Speeches and development plans published by the regime consistently expressed the sentiment that economic growth not to be conceived of as an end into itself—but as a means towards advancing the collective welfare. Paired with this claim, moreover, was a second one more directly hedging against his previously articulated liberalism, one suggesting that markets were only desirable to the extent that they improved collective social welfare, and one charging that the state needed to take an active role in insuring that such improvements were realized.[242] Articulating the same Rooseveltian balance as was evinced in his public sector hiring policies—and in the constitution's enshring of a government jobs' guarantee—, these addenda to his core ideological positions thereby elevated the state alongside the bourgeoisie, positing that neither one nor the other could be fully sufficient in driving the country's modernization. Taken in conjunction, it could therefore be argued (as Mazur has) that Hussein's ideological legitimation of the economy emphasized a synthesis where the "fundamentally free-enterprise philosophy (*of the King*) was fused with a 'benevolent paternalism' involving a high degree of administrative discretion."[243]

Crisis and Collapse: The end of the post-independence SSA

Not withstanding the many issues with the post-independence social structure of accumulation—including the relatively low levels of capital accumulation that it

[242] Scheyagh, p.430.

[243] Mazur (1979), p.235.

institutionalized—, it held relatively steady for the first twenty years of Jordan's post-colonial existence. As intimated throughout this chapter, however, this SSA did indeed come undone under the pressure of two separate political economic crises.

As mentioned, the first of these crises occurred in 1967, when Jordan's participation in the Arab war effort against Israel cost it the West Bank and Jerusalem. The economic effects of this loss were enormous. Prior to 1967, the West Bank had contributed roughly 33-38% of Jordan's annual gross domestic product. Having comprised 55% of Jordan's service sector, 43% of its retail and wholesale trade sectors, 41% of its real estate sector—and having contributed between 10-18% of industrial output and more than 33% of the country's electricity and agricultural output—, this contraction hit virtually every area of the economy.[244] What is more, given that the West Bank had also constituted more than 40% of the economy's domestic consumer market, its loss would also greatly reduce demand for Jordanian goods going forward, whether they be produced by public or private firms. Industrial firms— particularly the Jordanian Petroleum Refinery Company and the Jordanian Cement Factory—suffered most acutely due to the loss of this consumer base, only further setting back the country's delinquent industrialization.[245]

To make matters even worse for an already flailing economy, the Israeli occupation of the West Bank also precipitated a second wave of refugee migration into Jordan. In total, an estimated 300-400,000 Palestinians wound up crossing to the eastern side of the river Jordan following the (illegal) Israeli conquest of 1967. Though many of these refugees were absorbed into the

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[244] Masri (2005), p.194

[245] Mazur (1979), p.212

infrastructure of the UNRWA's relatively autonomous political economy—and while others found material security through joining the ranks of the Palestinian *fedayeen*—, this massive influx of population still put an enormous amount of strain on social, political, economic, and ecological fabrics that were threadbare to begin with. On the economic front, this strain was most directly felt in the labor market, where a prolonged unemployment crisis would stubbornly persist up and through the mid-1970s. With the United States also adopting punitive measures in response to Jordan's participation in the pan-Arab war effort—measures principally manifest in the freezing of its budget support and the ceasing of technical assistance—, the precarity of both regime and society was only deepened.

Already flatlining due to the shocks and upheavals of 1967, the events of 1970-1971 only accelerated the death spiral that the Jordanian economy had already fallen into. Though the regime ultimately proved victorious in the *civil war* it waged in those years against a loose, disorganized coalition of Palestinian paramilitary movements, victory was somewhat Pyrrhic in that it also resulted in Jordan's banishment from the wider regional economy. As the Fedayeen were exiled to Lebanon, Syria and Iraq would respond by closing their borders to Jordanian exports, Saudi Arabia's by shutting off the TAPline—whose passage through Jordanian territories had provided the government with a key source of revenues—, and Libya and Kuwait by curtailing their annual aid payments. Not even the recommencement (and sizable increase) of American external support could stop the resulting drift into contraction and depression.[246] Foreign reserves shortages, fiscal insolvency, and the banking system's collapse redounded off

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[246] For this history, see Knowles (2001), p.91

one another so to produce depression like conditions, and the viability of both the national economy and its Hashemite minders appeared tenuous at best.[247]

Alas, the whimsicality of international politics would eventually turn in the Palace's favor and in so doing offer the Jordanian economy a lifeline in its moment of desperate need. Critical here was the Arab war effort against Israel in 1973. As the memory of Black September faded and Jordan was revalorized as a *frontline* state within this renewed regional conflict, the Palace found itself rather auspiciously positioned within a regional economy poised to expand many times over following the explosion of oil prices in the post-1973 period.

Henceforth the recipient of unprecedented levels of official external assistance, remittances, and low interest loans, capital accumulation rates would tick upward across the 1970s. They did so, however, through a form of capitalism that was substantially different than the pre-1973 iteration. Flush with cash, the Palace—not the elite fraction of the capitalist class—was to become the largest and most influential actor in the economy. Consolidating a system of what Knowles has called induced state rentierism, the Hashemite political economy would thereby evolve into a derivative, poor man's version of the capitalisms taking root in the Gulf at the same time.[248] Facilitated in these efforts by an extremely favorable external environment—

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247 While the cratering of the economy inevitably affected Jordan's poor to a greater extent than anyone else, the effects of this multilevel quagmire were also acutely felt by the elite fraction of Jordan's capitalist class. In a state of torpidity if not existential despair, the years between 1967 and 1973 would see their investments cease, their business activities pause, and their contributions to gross fixed capital formation drift into negligbility. As Arab Bank—by far the biggest financial institution in Jordan—was owned by Abdel Majid Shoman, an ethnically Palestinian individual known to have maintained a close relationship with the PLO, the regime's war on the Fedayeen would generate uncertainty in high leverage places, uncertainty that in turn precipitated this collapse in investment. With the domestic capitalist class short on confidence and capital, it would largely cede all economic agency to the Palace over the course of the next fifteen years, as I will detail in the next chapter. See Masri (2005), p.212 and Piro (1998), p.62, for more details.

248 Knowles (2001), p.110.

one providing both an influx of capital and a labor market to absorb the high and low-skilled ethnic Palestinians that were about to be made increasingly precarious through the post-Black September practices of the state—, a revitalized, reintegrated structure of social, political, economic, and ideological institutions was soon to be established, a structure that would stabilize Jordanian capitalism as much as it did its Hashemite custodian.

As I will show, it was also at this time that Hussein's embedded neopatrimonialism matured into its final form. Driven in no small part by a briefly mobilized military coup in 1974—one that saw the very same actors that had just secured the King's throne three years prior now threaten to challenge his rule—, the King would increase public sector hiring, increase public sector wages, and establish a universal system of subsidies and price controls so to secure the material welfare of hundreds of thousands, with special benefits given to his ethnically Transjordanian allies.

CHAPTER FIVE

Oil, induced state rentierism, and Jordan's social structure of accumulation: 1973-1986

As was detailed at the close of the previous chapter, despite holding relatively (and surprisingly) steady for twenty-one years, the post-independence SSA ultimately collapsed under the weight of the political-economic crises of 1967 and 1970-1971. Though the provenance of these crises were exogenous to Jordan (at least in part), they nevertheless catalyzed a rather profound transformation in the country's endogenous economic organization. The post-1973 SSA that eventually emerged consolidated and stabilized an entirely new modality of capitalism in the Hashemite Kingdom of Jordan.

As will be detailed, the stabilization and growth of Jordan's new capitalism were largely achieved through externally financed current expenditures and high rates of private consumption.[249] By virtue of these spikes in state and household spending, aggregate final consumption came to average approximately 111% of GDP between 1973 and 1986—and the economy's expansion came to be wholly disarticulated from domestic total factor productivity, which was stagnant across the period under examination.[250] The divergence of profit rates and capital accumulation from TFP would of course prove deeply problematic for long-term development.

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[249] To the extent that consumption was itself underwritten by the receipt of Gulf-originating remittances, moreover, it too should be conceptualized as a derivative of the external environment.

[250] Masri (2005), p.342
This stagnation in TFP occurred in spite of public expenditures providing for relatively healthy rates of gross fixed capital formation.

Both the non-realization of TFP gains and Jordan's more general squandering of its petro-derived inflows can be explained by the nearsightedness of the regime's political survival strategy. This strategy institutionalized a system whereby the capital that was made available through external aid and remittances was funneled into allocative and patronage-related activities rather than productive ones; it also traded long-term investment, planning, and delayed gratification for the social opiate of immediate consumption and elite rent-seeking. Similarly problematic, it also refastened the dependency that both the Palace and the capitalist class had developed vis-à-vis the import market. As private profit rates, the domestic revenues of the Palace, and the rent-seeking strategies of an institutionally weakened bureaucracy each came to (directly or indirectly) require the reproduction of massive trade deficits, the institutional interests of each such actor/organization also came to require the enduring underdevelopment of the economy. By consequence, much of the *boom* that was inherent to post-1973 capital inflows evaporated into household consumption, government spending, and inflation (especially in the real estate sector[251]).

The stabilization of capital accumulation provided by this SSA could only but be brief, then, as well as being fundamentally vulnerable to exogenous shocks. Once such shocks came through the collapse of oil prices in the early 1980s, Jordanian capitalism (and its authoritarian

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[251] As detailed in a publication of the Prime Minster (at the time of writing) Omar Razzaz, land prices rose by 500% between 1970 and 1976, and then by another 500% between 1975 and 1985 (Omar Razzaz, "Contested Space: Urban Settlement around Amman", *Middle East Report* 1993).

See Knowles (2001), p.106 on the built environment's share of fixed capital formation during this period.

overseer) would enter into another long period of crisis, one that has been stabilized though never entirely escaped.

Organizationally, this chapter will closely follow the structure laid down during my review of Jordan's post-independence social structure of accumulation. After again beginning with a review of the political domain, I will proceed to analyses of (I) the particular form of economic interventionism adopted by the state during this period; (ii) the particular form of state-capital relations consolidated during this period; (iii) the form of market competition consolidated during this period; (iv) the social control regime consolidated during this period; and (v) the external articulation of the economy during this period. As was previously the case, I will also conclude this chapter my deconstructing how this social structure of accumulation eventually gave way, the time in the late 1980s. The only substantive analytical difference between the two chapters, then, is that this one will omit the ideological institiutionalization of capital/power from consideration. This choice was made on the basis of the fact that ideological institutionalization was largely invariant across the two periods under examination.[252]

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The Political Institutionalization of Jordan's New Capitalism: Insulating Policymaking, the Hegemony of the Palace, and the Decline of the Rationalist State

[252] Despite being published in the midst of an economic crisis gathering speed with each passing day, the 1986 Five Year Plan not only articulated the very same optimism as had previous planning documents, but also reinflated this imaginary of progress and modernization achieved through the healthy and efficient bond of business class and state.

Politics *proper* in the post-1973 period remained ordered by the logic of emergency and executive supremacy. The illegalization of political association stayed in effect through the mid-1980s, and parliamentary life continued on in its state of permanent abeyance. Having reproduced such institutional and organizational vacuums, the King and his allies were free to rule through royal decree and the issuance of provisional legislation. Keen to prevent any alternative power center from emerging, those allies would themselves be managed through elite circulation and co-optation.[253]

The institutionalization of such an aristocratically styled system of house politics saw to it that individuals such as Zayd al-Rifa'i[254], Muhammad Shafiq[255], Mudar Badran[256], Walid Asfur[257],

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253 Though some of the old merchant elite were included in this system of elite circulation, these actors found themselves somewhat politically relegated during this period. Which is not to say that such elites did not benefit from the policies implemented at this stage, as I will detail.

254 Rifa'i was appointed Prime Minister in 1973 at the tender age of 36.

255 Shafiq served a number of terms as Minister of Finance and with the National Planning Council (a body later reorganized as the Ministry of Planning).

256 Badran initially served as Minister of Education in Rifa'i's government. He too would serve as Prime Minister between 1976-1979 and 1980-1984.

257 Asfur served as Chairman of the Jordan Fertilizers Industries Company, Minster of Industry and Trade, and as a board member on the Jordan Cement Factory Company, amongst his other posts.

Ali al-Nusr[258], Umar al-Nabulsi[259], Mahir al-Shukri[260], Ziad Fariz[261], Hana Awda[262], and Ahmad Ubaydat[263] were shuffled in and out of positions of prominence, whether in government, at the Royal Court, or amongst Jordan's growing number of state owned enterprises (SOEs).[264] Though the constant shuffling was successful in achieving its primary objective—preventing the emergence of secondary power centers—, such an achievement came at the expense of policy coherence, organizational competence, and long-term planning. As this relates to economic policymaking in particular, in conjunction with the deepening disjuncture of government from the demos, the degradation of the bureaucracy that was brought about through the King's elite shuffling[265] created the space for a number of new *autonomous,* Palace-aligned policy making bodies to emerge and accrue considerable influence over the planning process.

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258 Al-Nusr sat on the boards of the Jordan Cement Factory Company and the Jordan Fertilizers Industries Company as well as serving as Minister of Planning.

259 Al-Nabulsi served as Minister of Agriculture in Rifai's first government in addition to sitting on the board of the Arab Potash Company.

260 Al-Shukri sat on the boards of the Jordan Cement Factory Company, the Arab Potash Company, and the Jordan Fertilizers Industries Company while also serving as Deputy Director of the Central Bank of Jordan.

261 Fariz sat on the board of the Arab Potash Company before taking up senior positions in the Ministry of Finance and at the Central Bank of Jordan.

262 Awda served as Secretary General of the National Planning Council, as Minister of Finance, and as Chairman of the Jordan Fertilizers Industries Companies amongst his other posts.

263 Ubaydat was Prime Minister between 1984-1985.

264 Fore more on this new generation of pollicymakers, see Piro (1998), p.63.

265 This disarray was compounded by the fact that the earlier generation of rationalist policy planners—best represented by Wasfi al-Tal—had fallen out of favor with a regime now flush with cash (and therefore less concerned with what a meritocratic, efficient state apparatus could offer).

First amongst these Palace-aligned institutions was the Economic Security Committee (ESC). Stewarded by Crown Prince Hassan, the ESC was established at the behest of Central Bank Governor Dr. Khalil al-Salim following the loss of the West Bank and brought into official existence with the passage of a 1971 Planning Law. With a board of directors comprised of the Minister of Finance, the Minister of Trade and Industry, the Minister of Transport, and the aforementioned Governor of the Central Bank, the institution's official mandate was a consultative one. Though invested only with the authority to *aid* the government as it navigated the challenges born of the *naksa,* the ESC quickly outgrew any such limited bailiwick.[266] By 1974 and with a full Royal blessing, the ESC was operating as both an unelected legislature and activist appendage of the executive branch. Henceforth, the ESC overturned disagreeable existing legislation, decreed new law at its own discretion and without publishing the contents of said laws in the state's *Official Gazette*, dissolved and reappointed the boards of public shareholding companies, and dictated the borrowing and lending behavior of the Central Bank. In so doing, the ESC more than any other policy body came to define the juridical foundations for the country's new capitalism.[267]

Supporting it in these efforts was a second Palace-aligned policy body midwifed into existence by the same Crown Prince Hassan. Founded prior to the ESC (in 1970), the Royal Scientific Society (RSS) was invested with a mandate explicitly centered on long-term

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[266] On the origins of the ESC, see: Brand (1994), p.67; Knowles (2001), p.97; Masri (2005), p.211.

[267] It is worth noting that the ESC also oversaw the business of the Jordan-Iraq Committee for Economic Co-ordination. As I will show, this committee functioned as one of the critical mechanisms in the Palace's elite-oriented patronage strategy (Brand, 1994, p.68).

development planning.[268] As the RSS's senior staff was comprised of prominent individuals simultaneously serving on the boards of the country's industrial SOEs[269], however, conflicts of interest and a degree of myopia were baked into the institution's policy process.

Not withstanding these issues, there were a number of highly competent people employed at the RSS during these years.[270] Bassam Asfur, head of the RSS in 1978, for instance, evinced such competence by advising the King to move the economy away from its dependence on consumption and the service sector. Bassam al-Sakat, head of its Economics Department, moreover, evinced his by cautioning Crown Prince Hassan against continuing a loose credit system that was merely feeding an inflationary, speculative bubble in real estate.[271] Regardless of the merits of its personnel, however, to the extent that the RSS too was designed to be both institutionally autonomous and directly accountable to the Palace, it too contributed to the withering of Jordan's developmentalist bureaucracy.

The State in the economy

In order to better socially embed (and thereby stabilize) the market in the post-1973 period—and in order to ensure that profits flowed into the right pockets and at sufficient

[268] It would be the RSS, then, rather than the appropriate government ministry, that authored the two seminal strategic documents of this era—1976 and 1981's respective five-year plans.

[269] Bassam al-Sakat, for example, served as Chairman of the Jordan Cement Factory Company at the same time that he headed the Economics Department at the RSS.

[270] As has been the case across Jordanian history, it should also be noted that the RSS' development plans were never faithfully implemented, at least in full.

[271] Piro (1998), p.71

levels—, the state scaled up both its mass-oriented and elite-oriented interventions in the economy considerably. It also diversified the institutions through which these interventions were implemented.

Consolidating what Knowles classified as a form of induced state rentierism, this *new* modality of intervention proved both socially effective and economically misguided, ensconcing allocative state practices rather than productive and furthering the disjuncture of consumption from production. Through entrenching a revenue strategy dually premised on external aid and the direct and indirect levies that could be imposed on import-based consumption, this induced state rentieirism also locked both the state and the bourgeois elite into an increasing dependence on commercial arbitrage.[272] By more generally consummating the divorce between interventionism and economic rationalities—as will become clear as I review the state's fiscal policies, social welfare policies (inclusive of public employment), credit policies, and industrial policies—, finally, though this rentierism may have contributed to *stability,* it did so at the expense of long-term development.[273]

Regarding the revenue aspect of state fiscal policy, the post-1973 Jordanian state retained and scaled up a pre-existing dependence on external assistance, import duties, indirect taxes, domestic and international borrowing, and non-tax forms of extraction (such as the fees levied on post and telephone services). The share of total domestic revenues attributed to import duties

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[272] Though this fiscal sociology implied and realized through such an arrangement was not particularly inequitable, it was at once unsustainable and politically destructive.

[273] I will also connect these interventions to the regime's evolving authoritarian survival strategy. As this strategy remains structurally unchanged today, this subsection will give the reader a preview of much of the material that will be covered in section two of this dissertation.

during this period fluctuated between a high of 44.98% in 1977 to a low of 18.37% in 1989, while the aforementioned non-tax revenue streams consistently contributed between 25-40% for most the years under question.

Sources of Domestic Revenues, 1974-1989 (%)[274]

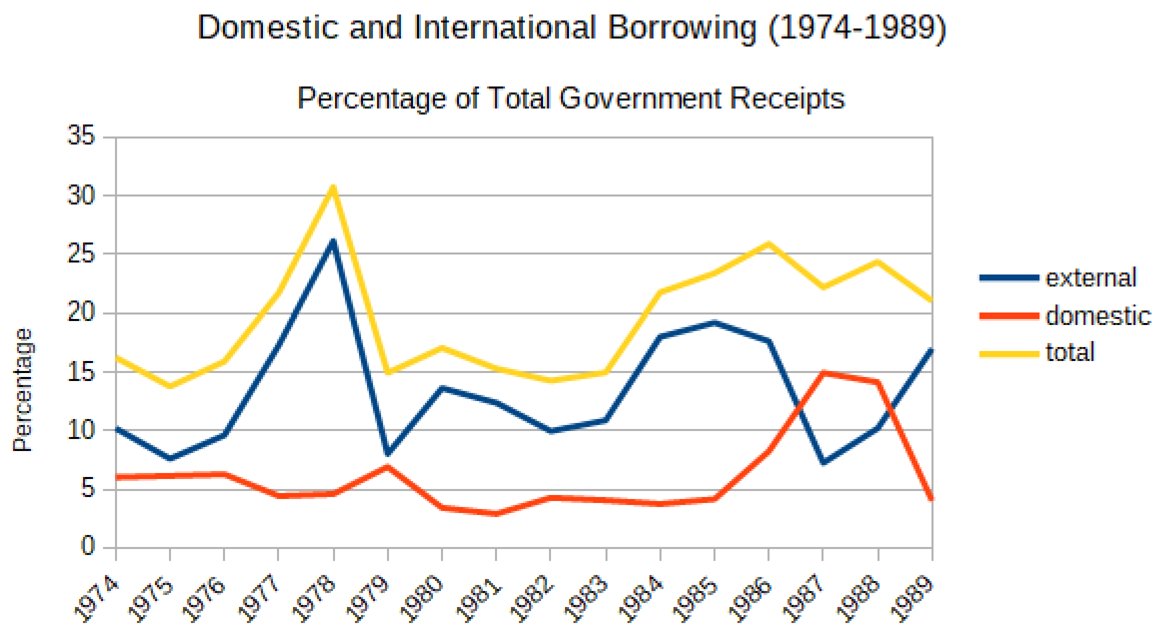
	Income tax	Others	**Total Direct Tax**	Import Duties	Taxes on consumption	Licenses	Fees	**Total Indirect Taxes**	Post, Telephone	Interests and Profits	Others	**Total non-tax revenues**	**Total**
1974	8.19	4.96	13.16	25.63	13.67	7.57	6.27	53.13	2.38	12.88	18.45	33.71	100
1975	11.22	4.51	15.73	25.28	12.89	7.15	9.27	54.59	2.7	13.17	13.81	29.68	100
1976	8.68	6.86	15.54	37.17	8.46	9.86	11.77	67.25	2.11	9.39	5.71	17.21	100
1977	9.28	6.47	15.74	44.98	6.96	9.21	5.9	67.04	2.46	8.71	6.04	17.22	100
1978	11.71	6.1	17.81	38.71	4.42	8.39	8.46	59.97	4.79	9.06	8.36	22.21	100
1979	11.91	7.15	19.06	38.85	5.62	8.3	9.08	61.35	4.72	8.35	6.52	19.59	100
1980	11.84	8.05	19.89	34.5	5.84	8.36	8.64	57.35	5.3	9.36	8.11	22.75	100
1981	12.93	6.57	19.5	30.42	5.46	8.14	11.82	55.85	4.1	14.56	6	24.65	100
1982	12.06	6.29	18.35	30.3	6.66	6.85	10.49	54.3	5.72	14.68	6.95	27.35	100
1983	11.49	5.97	17.46	30.1	8.81	6.43	10.5	55.84	5.84	14.85	6.02	26.7	100
1984	11.73	6.81	18.55	28.44	8.96	6.92	10.73	55.05	8.03	8.76	9.61	26.4	100
1985	12.34	6.44	18.79	26.76	10.39	6.42	9.62	53.19	8.68	9.97	9.37	28.02	100
1986	9.32	5.14	14.46	21.77	10.03	5.83	8.02	45.66	8.86	7.72	23.3	39.88	100
1987	8.53	5.69	14.22	20.42	10.97	6.2	9.42	47.01	7.86	6.96	23.94	38.77	100
1988	7.94	6.23	14.17	21.51	11.21	6.61	9.29	48.63	9.29	5.06	22.85	37.2	100
1989	9.09	7.29	16.37	18.37	13.7	5.71	11.02	48.81	11.09	7.9	15.83	34.82	100

Specific to the state's domestic borrowing, this was operationalized through the issuance of treasury bills and treasury bonds as well as through the receipt of direct loans from local commercial banks. Excluding the direct loans proffered by commercial banks, domestic and international borrowing contributed 15-25% of government financing across the tenure of this SSA.[275] As had been the case since the ACC first won the ear of Emir Abdullah in the 1920s, direct

274 Data provided by Masri (2005), Index 14, Table 5.

275 As I will show, excessive international borrowing in the mid-1980s would ultimately trigger a debt crisis in Jordan that subsequently sent the economy into a tailspin from which it has never properly recovered.

taxes on income and business were to remain marginal to the state's revenue strategy across the years under examination remained.[276]

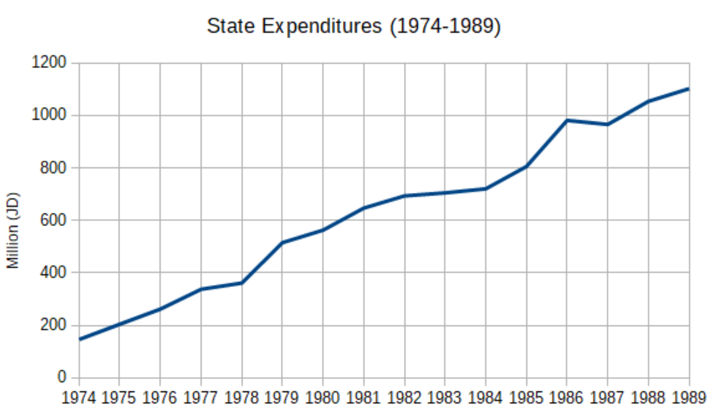


Data provided by Masri (2005), Index 14, Table 4

With the exception of the effects generated by domestic borrowing—borrowing that functioned so to redirect wealth upward and into the pockets of financial capital in particular—, the fiscal sociology endowed by this revenue strategy was very much in keeping with precedent. The marginality of the income tax made certain that social inequity and economic inefficiency endured at the ontological core of the state project. Problematic as this already was, the absence

[276] Between 1967 and 1973, for instance, income taxes receipts averaged out to approximately 25% of the receipts provided by import duties. Across the following fifteen years, moreover, direct taxes' aggregate share of annual state revenues averaged out at only 16.8% (Masri, 330).

of an income tax base also rendered the state's revenue strategy endemically volatile and externally dependent—attributes that eventually opened the door for further social inequity courtesy of the IMF's structural reforms.[277] As for the spending side of the ledger, despite the huge increase in state revenues that were ultimately realized through a favorable external environment, state expenditures in the post-1973 period were nevertheless of such a magnitude as to imply consistent annual deficits and a growing national debt.[278] Public spending grew at a shocking annual rate of 15.6% per year between 1973 and 1986—a growth rate that yielded a nominal jump from 146.6 million JD in government spending in 1974 to 1.1 billion JD in 1989.[279]



277 Once external inflows were no longer sufficient in fighting off fiscal crisis, this absence of income and corporation tax-based receipts forced the state to look elsewhere—thereby allowing for the realization of a far more *regressive* tax future. As this actually played out, the loss of externally generated revenues would precipitate the state's inevitable turn to easy to administer, IFI-backed General Sales and Value-Added taxes as it attempted to fill the gaps. Due to the fact that the general availability of these policy levers cannot be understood apart from the failure to institutionalize direct taxation in this period—and due to the fact that these consumption taxes invested decidely punitive, socially dislocating, and class targeting properties into the fiscal sociology of Abdullah's Hashemite regime—, then, one need account for the distal consequences of the state's revenue strategy between 1973-1986 as much as the immediate ones if one is to have a comprehensive understanding of this aspect of the SSA.

278 Even prior to the receipt of Gulf-generated windfalls, government expenditures grew 19.8% per year across the 1967-1973 period (Masri, 201).
On the consistent deficits run between 1973 and 1989, see Knowles (2001), p.103, 114.

279 Data gathered from Masri (2005), Index 13, Table 4.

Disaggregating how this spending was allocated, approximately 70% of the total was devoted to annual current expenditures. Primarily financing a qualitative expansion of the public sector labor force, such expenditures powered a tripling of the civil service between 1970 and 1984.[280] In combination with significant expansions in military employment[281], the public sector's share of aggregate employment would thereby reach full parity with the private sector as of the mid-1980s.[282]

By providing steady wages (and consistent wage increases), substantial benefits, and health services, public sector employment secured what amounted to middle class lifestyles of hundreds of thousands (ethnically Transjordanian people[283]). Government job holders were even shielded from the inflationary pressures running rampant at the time.[284] Most relevant in these

[280] In nominal terms, the ranks of the civil service grew from 27,000 in 1970 to 74,000 in 1984 (Piro, 66).

[281] Defense expenditures absorbed between 28-40% of the official annual budget (Masri, 205, 334), though Kanovsky, drawing on US Arms Control Disarmament Agency data, has estimated that military spending was likely three to four times greater than what was reported in those budgets (Jordan's Economy from Prosperity to Crisis). While some of this spending was directed towards weapons procurement, much of it went towards hiring, wages and the military's pension and healthcare systems.

[282] Functioning almost exclusively as a mechanism for patronage distribution—one that could widen the social base of the regime through further embedding Transjordanian families and communities in the largesse of the state—, however, it should also be noted that this hiring campaign was non-meritocratic in nature. With the vast majority of the state's new charges being of the low-skill variety, the social benefits derived from public hiring were partially offset by both the economic inefficiencies thereby produced *and* the negative effects that the abandonment of meritocracy exerted on state capacity.

As will be discussed in the social control section, due to the Gulf's opening of its labor market to Jordan as of 1974—a move that precipitated a mass migration of primarily educated Palestinians–the social impact of this non-meritocratic hiring policy, one designedly favoring ethnic Transjordanians, was not quite as pronounced as it otherwise would have been.

[283] With preferential admission standards and quotas put in place at public universities so to insure that the children of Hussein's ethnically Transjordanian allies got a leg up in higher education as well (Satloff 1986, Abu Odeh, 2000).

[284] This inflation was largely driven by the inflows of aid and remittances (as well as by the allocative, consumption-oriented practices of the Palace).

regards was the establishment of the Civil Consumer Corporation (CCC) in 1975. Operating under the Ministry of Supply, the CCC provided civil servants and military personnel with “durable and non-durable consumer goods at cost price, duty free in respect of imported items.”[285] Later that decade, special supermarkets were also introduced while rent control policies and the subsidization of housing were implemented to control the real estate market’s animal spirits.

By the early 1980s, the Palace moved beyond this public sector welfarism so to establish a more universal system of price controls and subsidies. Operating out of the aforementioned Ministry of Supply as well, this subsidy regime was one of the few economic interventions of the time that managed to deliver mass-oriented and elite-oriented benefits at one and the same time. Regarding its mass-oriented nature, the state’s subsidization of wheat, flour, sugar, rice, meat, poultry, olive oil, and milk helped secure a basic level of welfare and household consumption, regardless of employment status.[286] As for its elite benefits, those subsidies also secured steady profits for a new quota coterie predominantly comprised of ethnically Transjordaninan merchant capitalists. Specifically—and following much the same logic as the Middle East Supply Centre—, the subsidy program privileged politically connected merchants through awarding said individuals with exclusive import licenses for those products included under the Ministry of Supply’s consumer subsidization program.[287] Thereby afforded a guaranteed buyer and de facto

[285] Knowles (2001, p.110

[286] Ibid

[287] Peters and Moore (2009), p.273

monopoly control of substantial wholesale markets, subsidies functioned so to funnel healthy profits into these merchants' pockets across the 1980s and beyond.

For the 30% of total public expenditures that were devoted to capital investment, while a great deal of this budget was allocated for debt repayments, over half of it was devoted to land purchases and the construction of government buildings.[288] Though the yield of this investment provided something in the way of public goods, such expenditures also provided a private boon for those developers and construction companies fortunate enough to procure the contracts that were tendered therein, thereby evincing the same mass-elite dualism as had the government's food subsidization efforts.[289]

As mentioned at the outset of this section, the state also intervened in the economy via a constellation of credit institutions. This series of nominally autonomous, specialized lending and investment facilities—the most prominent of which were the Pension Fund (which would be renamed the Jordan Investment Corporation), the Industrial Development Bank, the Social Security Company, and the Housing Bank—, was typically used by the Palace so to finance a number of politically important though economically dubious enterprises and development projects. This often meant bridging the financial gaps needed to keep a number of the Palace's misguided industrial ventures turning over in spite of their growing losses. Critical as they may therefore have been in staving off the collapse of commodity extraction (as well as the jobs that sector created), the *politicized* investment strategies followed by these credit facilities eventually

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[288] Masri, p.335

[289] Unsurprisingly, the principal beneficiaries of these procurement processes were many of the same individuals that had previously benefited from the state's industrial policies and/or issuance of import licenses.

engendered enormous and diversified portfolios loaded with toxic assets. Offering some indication of how the scope of this credit backstop grew over time, Knowles has shown that the aggregate assets of the four institutions mentioned above quadrupled between 1973 and 1983. In nominal terms, by 1989, their total loan portfolio reached 542.7 JD million.[290]

What is more, these *autonomous* credit institutions only ever constituted a single part of the state's investment operations, as more direct forms of investment and ownership were also practiced in this period. Taken in combination, the aggregate results of this aspect of state interventionism are rather staggering. As of 1989, it was estimated that the state (loosely defined) held 58% equity in the mining sector[291], 23.2% equity in the manufacturing sector, and 20.8% equity in the services sector. More generally speaking, Anani and Khalaf calculated that the state held 32.2% of the aggregate capital subscribed across the country's thirty-one largest firms.[292]

Before closing on state interventionism in the post-1973 period, a handful of special policy initiatives meant to revitalize the elite fraction of the capitalist class—a group of actors wholly disoriented by the crises of 1967 and 1970-1971—are also worth making note of. In the domain of trade policy, preferential import licensing arrangements allowed these actors to retain the monopolistic and oligopolistic market positions they had earlier acquired through previous state

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290 Knowles (2001), p.116

291 The state held majority shares in all the big five industrial assets apart from the Jordanian Petroleum Refinery Corporation, where it's equity stake was 24%.

292 Jawad Anani and R. Khalaf, "Privatisation in Jordan", in El-Nagger, S., (ed.) *Adjustment Policies and Development Strategies in the Arab World,* pp.210-233.

interventions in the wholesale and retail sectors.[293] Through its refusal to devalue the currency—a refusal that came despite the obvious utility that devaluation would have in reducing the trade deficit[294]—, moreover, the Palace also ensured that the demand for imports would not be stifled in the least. Having privileged import duties within the state's revenue strategy, the state would, in fact, directly align its institutional interest with the particularist interests of the merchant as well.

With policy thereby structured across a number of fronts in such a manner as to insure that import consumption wound up powering a huge proportion of GDP growth in this period, policy also proved very good for those actors positioned so to control Jordan's import markets. In addition, these same elite actors benefited through the interventions of the Jordan-Iraq Committee for Economic Coordination (JICEC), which was designated responsibility for awarding special licenses for exporting to the Iraqi market. Though this fraud-laden process that would later come undone in spectacular fashion, in its early days, the JICEC delivered wonderful profits

293 In discussing imports and trade policy, I would be remiss were I not to acknowledge how these domains also came to benefit a number of government ministries (and their respective workforces). Specifically, by (purposefully or unpurposefully) establishing a system of overlapping authorities—a system referred to as *al-izdiwajiyya*—bureaucratic redundancies allowed the Ministries of Planning, Finance, and Industry and Trade to each claim responsibility for similarly wide and intersecting domains of operations. In so doing—and in also bring each Ministry into the rent-laden orbit of import policy—*al-izdiwajiyya* saw to it that each Ministry was able to *legitimate* growing budget requests, requests that in turn allowed each institution to grow their own internal clienteles of middle managers (Piro, 84). In total, ten of the twenty-two ministries operating as of 1984 managed to implicate themselves in the management of the economy to one degree or another. Though the institutionalization of *al-izdiwajiyya* undeniably weakened the institutional capacity and rationality of the bureaucracy, it simultaneously functioned so to make each ministry organizationally robust through providing them healthy budget outlays and access to import-based rent extraction.

294 The decision not to devalue was also made out of the fear that it would drive away remittances (Piro, 71). Though desperately needed in order to alleviate the trade deficit (and in order to help domestic industrial capital), the near sightedness of the Palace's economics meant it was never considered prior to the IMF's arrival in 1988-1989.

for a privileged few firms in the cement, pharmaceutical, and banking industries.[295] Finally, to the extent that only licensed commercial banks were allowed to participate in the domestic bond market—and to the extent that these commercial banks were disproportionately owned by members of the old quota coterie—, it could also be argued that the state's debt issuances also functioned, at least in part, as an elite-oriented intervention in the economy.[296]

Social Control

As discussed in the previous chapter, the regime's crackdown on political association in the aftermath of Black September also extended into the non-partisan domain of trade and labor unions. Using a variety of juridical means, the General Intelligence Directory (working in partnership with the Ministry of Labor) laid siege to the major institutions of working class life, culminating in the de facto conquest of the General Federation of Jordanian Trade Unions (GFJTU).[297] Consolidating a disjuncture between labor organizations and the social forces they

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295 For more on this see Piro (1998), p.67

296 It would be disingenuous, of course, to suggest that this arrangement worked purely to the benefit of the commercial banks. The banks were, after all, very much at the beck and call of the Palace. For instance, between 1984 and 1986, the Central Bank would demand that commercial banks invest between 4-9% of their dinar denominated deposits in treasury bills and development bonds. In 1986, the Central Bank would also require that commercial banks invest at least 15% of their capital in the shareholding companies traded on the Amman Stock Exchange (that figure would drop to 9% as of 1987). And yet, as exploitative and economically destructive as these policies were in the long term, the interest rates attached to the government's bonds made it worth the trouble for Jordan's commercial banks, at least for a time. Prior to the debt, currency, and banking crises of 1988-1989, moreover, returns on investment into state owned enterprises were also politically guaranteed.
See: Masri (2005), p.343

297 Having both divested this body of its internal democracy and having co-opted those individuals at the top of the GFJTU's leadership structure, Jordan's Fedayeen-aligned, politically antagonistic unions were largely brought to heel.

were meant to represent, this systematic disciplining of the trade union movement anchored the entirety of the post-1973 social control strategy and is thereby deserves pride of place in any analysis of this period.

Complementing these coercive forms of intervention—and perhaps even more effective in the establishment of social control—however, was the migration system put in place by the Arab states following the oil boom of 1973. For Jordan, the outflowing end of this system saw hundreds of thousands of Jordanian workers secure livelihoods in the cash-flushed Gulf.[298] To give some sense of the magnitude of these outflows, at any given time between 1975 and 1985, one would have found roughly 40% of the Jordanian labor force working and (permanently/semi-permanently) residing in the Gulf.[299]

For an economy and society shellshocked by the crises of 1967 and 1970-1971, the Gulf's acceptance of Jordan's high and low-skill surplus labor proved an essential precondition for subsequent efforts to reconstitute a new modality of domestic social peace. Helping close the structural disarticulation of labor market supply from labor market demand, they first and foremost alleviated a then deepening employment crisis. More than that, the Gulf labor market

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[298] Yann Le Troquer and Rozenn Hommery al-Outdat, "From Kuwait to Jordan: The Palestinians' Third Exodus", *Journal of Palestine Studies* (28:3), p.38.
While the Gulf had long provided a critical release valve for *nakba*-dislocated Palestinian laborers in particular—even before 1970, Kuwait gave host to over 140,000 Palestinians, many of whom had arrived due to relaxed migration codes of the early 1950s and subsequently come to fill the Kuwaiti bureaucracy and construction sector—, the post-1973 years witnessed a qualitative jump in Gulf-bound emigration.

[299] In nominal terms, as of 1986, this distribution translated to 592,000 Jordanians working at home and 325,000 Jordanians (often accompanied by their families) laboring across Kuwait, Saudi Arabia, the United Arab Emirates, and Qatar.
See: Oroub al-Abed, "The discourse of guesthood: Forced Migrants in Jordan", in A.H Fabios and R. Isotalo (eds.) *Managing Muslim Mobilities.* Palgrave Macmillan (2014).

also acted as a release valve for the Palestinian question by providing lucrative work opportunities for the ethnic Palestinians, the Gulf's immigration policies took much of the sting out of the Jordanian state's ongoing dePalestinianization campaigns.[300]

Complementing the social control-related effects derived from Gulf-bound departures were those borne of the low skill (primarily Egyptian) arrivals that flowed into Jordan during these same years. For some background, prior to 1984, *outside* Arabs had been allowed to legally reside and work in Jordan without need for a labor permit.[301] While a lack of economic opportunity meant that relatively few foreign workers availed themselves of this pan-Arabist relic during the 1950s and 1960s, once external aid and remittances began rushing into post-1973 Jordan, so too did low skill (primarily Egyptian) labor seeking their own small piece of

300 It it worth noting the extent to which the regime's social control strategy had a distinctly ethnic component and how the subjecting of Palestinian populations to a particular regime of surveillance, discrimination, and precarity also contributed to generalized quietude. Having never promulgated domestic legislation concerning refugees and forced migrants—a decision partly informed by the Palace's understandable reluctance to normalize the Palestinian exodus—and having never signed the 1951 UN Convention Relating to the Status of Refugees, the Palace was able to respond to Black September by assigning its Ministry of Interior and its domestic intelligence forces primary legal responsibility for dealing with camp-based Palestinian populations (Al-Abed, 83). In addition, in also tiering the legal statuses of different fractions of Palestinian refugees—Gazan migrants into Jordan have never been granted citizenship—the regime has also been able to construct and exploit juridical ambiguity so to render citizenship and the legal existence that implies inherently precarious for large segments of these communities. In addition to the dePalestinianization of the public sector (see: Abu Odeh, 190), from 1976 onwards, a quota system would also be established at Jordanian universities so to afford preferential admissions to ethnic Transjordanians (Massad, 258).

On the Gulf-bound outflows, I should also add that while their Palestinian and private sector composition is typically emphasized, it is important to note that the opening of Gulf labor markets also implied the transfer of large numbers of (ethnically Transjordanian) public sector workers. Comprising the Jordanian bureaucracy's traveling act were typically educators, healthcare workers, and seconded military officers. While not having quite the same social control impact as the private sector movement's described above, by helping mitigate some of the fiscal strain and bureaucratic redundancies that had been generated through the state's unchecked expansion in the 1970s, one should not discount how these regional reassignments too contributed to the stabilization of the wider Hashemite political economy.

301 Geraldine Chatelard, "Jordan: A Refugee Haven". *Migration Policy Institute Online Journal* (2010), p.7

petrodollar recycling. Regarding numbers, by the middle of the 1980s, it was estimated that roughly 450,000 Egyptians were active in the Jordanian labor market, that 153,519 of these had been registered through the proper legal channels, and that the Egyptian proportion of the aggregate foreign labor stock was roughly 80%.[302] Importantly, these inflows of low-skill foreign labor were encouraged, actively recruited, and lobbied for by Jordanian capital, particularly those actors and enterprises holding stakes in the agricultural, construction, and real estate sectors. As these foreign workers represented a significant reduction in the cost of labor inputs—and as profit margins and business models in the aforementioned sectors came to be solely premised upon a firm's capacity to access to such inputs—, this class fraction's interest in the non-citizen's *right* to work in Jordan was, of course, deeply cynical and non-altruistic.

When it came to social control, the effects of the mass-employment of cheap Egyptian labor would be three-fold when it came to social control in the post-1973 period. First and as hinted at in the paragraph above, cheap Egyptian wages (and the depressive effects their presence had on the wider wage structure) stabilized the profits of the capital elite.[303] Tying profits and accumulation to access to foreign labor would of course prove disastrous (and path dependent) in the long-term—whether developmentally or socially speaking. To the extent that it buoyed the business classes in the short-term and with them the larger economic system,

302 Ibid

303 As that latter group of actors was now increasingly enmeshed in the economics of Jordan's urbanizing built environment—whether through contracting work, real estate speculation, or finance—, access to cheap foreign labor was to become fundamental to their profit margins.

however, it unambiguously benefited the social control strategy of this period as well.[304] Second, the injection of Egyptian labor also allowed the regime to integrate portions of the ethnically Transjordanian peasantry into the expanding state bureaucracy without depriving the farming industry of the labor inputs needed for its operations. By indirectly facilitating the upward mobility and social reproduction for Jordan's lower and middle classes,[305] then, this effect of Egyptian labor—which constituted 87% the labor force in the Jordan Valley as of 1986—too contributed to social control across the decades under question.[306] Third, the Egyptianization of the labor force also contributed to capitalist social control by complicating the mobilization of worker solidarity. As foreign laborers were both culturally apart and eternally precarious due to their exceptional legal status—non-Jordanian workers were barred from forming, joining, or participating in union activities and at all times subject to discretionary deportation—, they were also actors for whom antagonistic labor action would intrinsically hold little appeal. Representing roughly 50% of the total labor force as they did, their necessary quietism therefore meant that native workers' movements held precious little leverage in any conflict with capital or the state.

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304 These workers represented a de facto subsidy in the sense that they were willing to accept wages below the market rate in Jordan and in the sense that they were excluded from the protections and privileges provided by the law.

305 One should also note how central the Kafala system—by which I refer to a migratory and legal regime centered on domestic workers—was to maintaining a high quality of life for much of the Jordanian middle class. As these women were functionally devoid of rights, their low wages and long hours functionally subsidized the social reproduction of thousands of middle class Jordanian families.

306 Chatelard (2010), p.6
Certainly, the state's absorption of low skilled Transjordanian workers was every bit as developmentally problematic as the importation of cheap Egyptian labor was. Nevertheless, it was extremely effective as a matter of social policy.

In combination with the repression and surveillance of domestic organized labor and the low employment rate that was secured through exportation of large segments of the labor force to the Gulf, one can see, then, how the inflow side of Jordan's migration policy functioned so to preempt unrest and so to inflate the profits of domestic capital.

External Articulation

Jordan's modality of interacting with regional and international economic systems between 1973 and 1986 operated according to the same logic as had previous versions. To begin, the state and merchant's elite continued reliance upon the import market ensured that Jordan's developmentally destructive addiction to foreign consumer goods persisted on unabated. With little headway made in upgrading the sophistication of the country's manufacturing operations[307] (and with the country's export basket thereby still overwhelmingly concentrated in highly volatile commodity markets), this addiction engendered ever widening current account deficits throughout the period under question. That same concentration, moreover, also left Jordan's economy structurally vulnerable to shifts in its exogenous environment. When taken in combination with the fact that the state's budgetary strategy was itself also almost entirely dependent upon equally volatile (and external) sources of income, this vulnerability left the accumulation process without any kind of firewall to protect it form externally-introduced

307 This lack of success was partially a function of a derivative form of Dutch disease. The deepening integration of Jordan's economy with the larger petroeconomies of the Gulf led to currency overvaluation. In conjunction with the effects of the state's emboldening cronyism, this overvaluation would contribute to the declining competitiveness of Jordan's manufactured goods.

shocks. Worse than that, the economy's reavowal of its dependence on potash and phosphate exports—occurring during the same years that East Asian economies were using the transition into high-technology production to power their economic convergence vis-a-vis the west—also prefigured the country's more structural, long-term drift into low complexity, low-value add stagnation.

Structure of Jordanian Imports, 1974-1989[308]

**** Unit: Thousands (JD)***

	Total Consumer Goods	**Crude Materials and Other Goods**	**Capital Goods**	**Miscellaneous Goods**	**Total Imports**
1974	69627	29998	40913	15969	156507
1975	90513	57222	82877	3401	234013
1976	133335	90003	114628	1573	339539
1977	147185	121187	184099	1946	454417
1978	175669	117252	161232	4673	458826
1979	215211	179462	193575	1275	589523
1980	240154	227087	246743	1993	715977
1981	3252132	305518	414962	1811	1047504
1982	368303	380280	391396	2514	1142493
1983	365058	377787	310552	49913	1103310
1984	417124	453746	170533	29937	1071340
1985	384762	464695	201331	23660	1074448
1986	358230	309541	141483	40945	850199
1987	362011	371011	162813	19710	915545
1988	371616	393744	219451	37658	1022469
1989	414360	532793	262066	19791	1230010

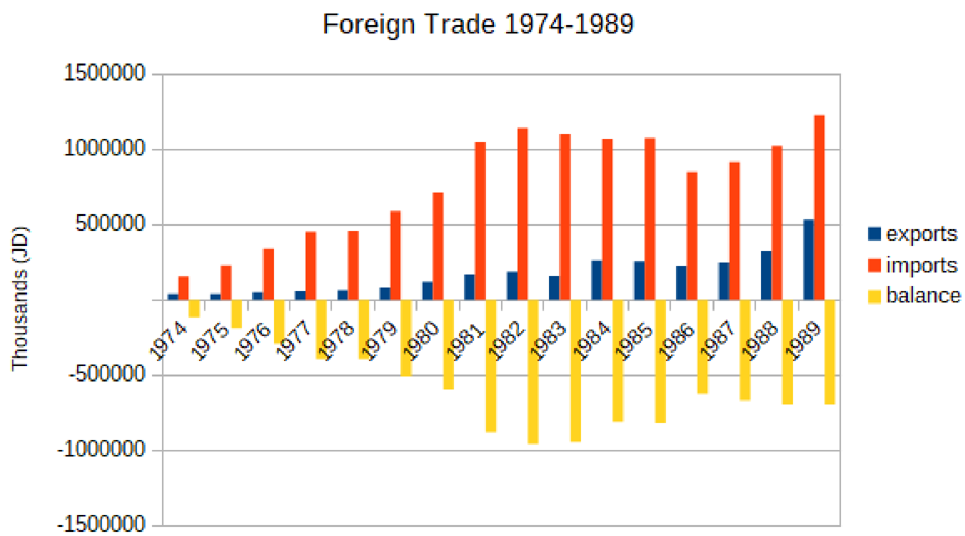
[308] Data provided by Masri (2005), Index 13, Table 11

Structure of Jordanian Exports, 1974-1989[309]

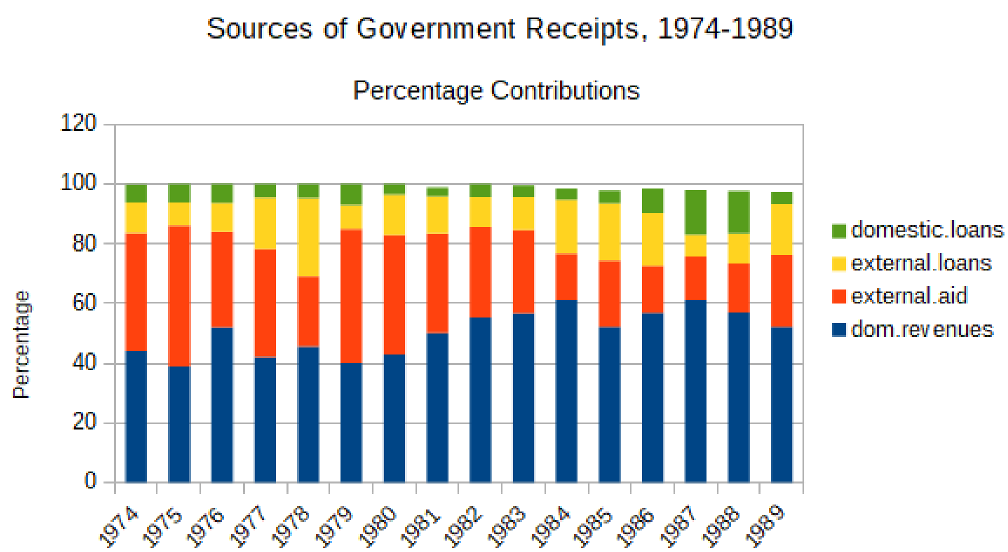
**** Unit: Thousands (JD)***

	Total Consumer Goods	**Crude Materials and Other Goods**	**Capital Goods**	**Miscellaneous Goods**	**Total Exports**
1974	13865	24931	634	7	39437
1975	15999	23469	603	4	40075
1976	25407	23277	862	4	49552
1977	32167	26955	1128	3	60253
1978	32630	30670	828	1	64129
1979	41994	39444	1111	7	82556
1980	54233	64216	1658	0	120107
1981	76717	86719	5508	82	169026
1982	88152	92298	5100	31	185581
1983	94244	62437	3404	0	160085
1984	108758	148683	3614	0	261055
1985	99012	153260	3074	0	255346
1986	78075	145584	1956	0	225615
1987	84102	160817	3854	0	248773
1988	79885	239262	5631	10	324788
1989	132325	388185	13586	10	534106

309 Data provided by Masri (2005), Index 13, Table 11



Data provided by Central Bank of Jordan



Institutionalizing a derivative (oil-dependent) rentierist economy with an overdependence on import consumption, the external articulation of the Jordanian social structure of accumulation in this period proved temporarily stabilizing (in that it delivered profits to merchant capital +

indirect, tariff-based tax receipts for the state) as well as fundamentally destructive in the medium to long-term.

Forms of Market Competition: Enduring Class Fractures, Enduring Elite Hegemony

If the social control strategy of capital and its Hashemite minders shifted considerably after 1973, the same cannot be said of the modality of capital-capital relations—and the form of market competition such relations endow. As private sector competition was mostly limited to contests for political favor, *markets* continued to lack whatever dynamic energies they can, on occasion, give host to. As this translated to market structures, oligopolsitic or monopolistic formations prevailed across most sectors of the economy throughout the period under question.[310]

Not withstanding these continuities, the capitalist class itself did undergo some non-insignificant changes in these years. To begin, while much of the old quota coterie elite eventually managed to retain and grow their wealth following a number of years of post-1970 paralysis, the hegemony of their class fraction was no longer be as total as it once was. Henceforth, they were joined at the heights of the economy by two discrete groups of nouveaux riches. The first had been minted through either successes in the Gulf or opportunistic plays in Amman's fevered real estate speculation. The second was comprised of a number of actors who managed to leverage

[310] See Masri (2005), Appendix 16, Tables 1-37 for a full breakdown of market structures during this period.

their power in the bureaucracy into business acquisitions. Prominent amongst this latter group were a handful of former senior employees of the Central Bank of Jordan.[311]

As regards the fate of the quota coterie itself, in addition to retaining their positions of dominance within the commercial sector, many within this fraction pivoted into construction, government contracting, real estate, and Gulf-entangled investment during the 1970s and 1980s.[312] The table on the following page—demonstrating an economy wholly dominated by retail trade, finance, government services, and transportation (itself an appendage of the import game)—evince the sectoral imbalance that resulted.[313] Others within this class fraction used these decades to shore up their dominance of Jordan's rapidly expanding banking and finance sectors.[314] The most obvious instances herein were the Shuman and Mu'ashar families.[315] As the financialization of the global economy introduced increasing returns (if also volatility) to the

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[311] See Masri, p.410 on the Central Bank Employees. Also, see Masri (2005), Appendix 11 for the distribution of power and capital within this wider class fraction.

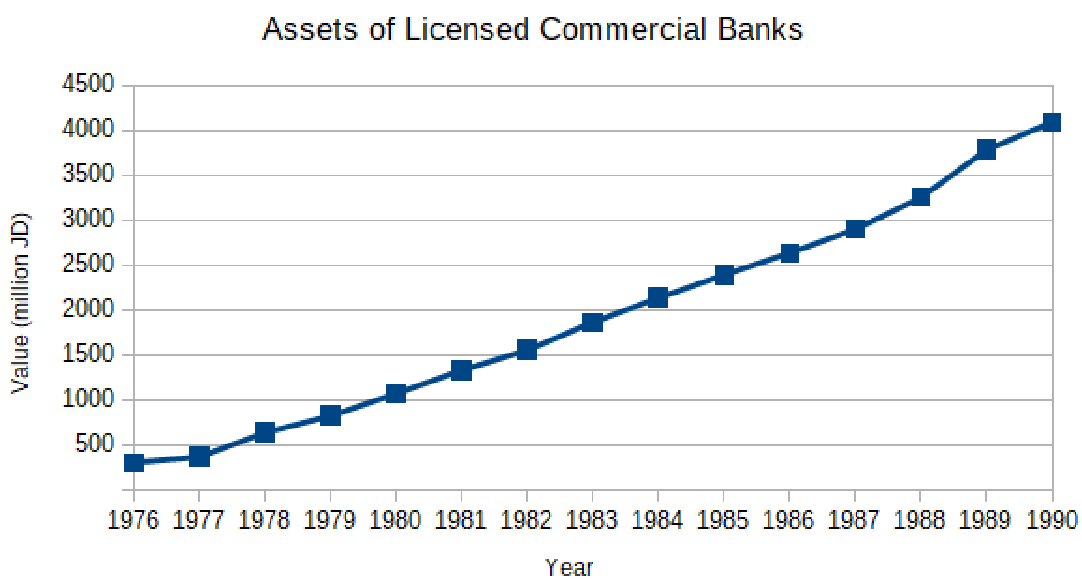
[312] Without ever abandoning their import and retail empires, the Nuqul, Masri, and Ali Bdeir families managed this transition into new growth areas especially successfully (Masri, 408).

[313] Note that government accounting metrics code a great deal of commercial business under the label of "transportation" (a label that includes businesses involved in the movement of goods).

[314] Though briefly challenged by a handful of new Gulf-made competitors—Ahmad al-Galabi's Petra Bank and Hassan Abdul Aziz's Jordan-Gulf Bank in particular—this hegemony would eventually be reaffirmed when each of these challengers went bust during the banking of crisis of the mid-late 1980s.

[315] The Shuman family repurchased considerable shares of Arab Bank in these years, while the Muasher family repurchased much of the equity in the Jordan National Bank. Though Arab Bank also received considerable Gulf-based investment in these same years years—with the Hariri familiy in particular taking on a significant equity share—, such repurchases were sufficient so as to retain the Shoman's leadership over this lion of Jordanian banking.
Similarly, the old guard al-Sakar, Tash, Abd al-Rahman, and Touqan families managed to retain their control over Amman-Cairo bank during this same period.

banking industry across the period under question, the quota coterie's hegemony over this sector proved extremely profitable for a time.[316]



Data Provided by Central Bank of Jordan

316 Though slightly later, it is here worth noting that quota coterie families also acquired major equity stakes in the Export and Finance Bank (later renamed Ahli Bank). EFP was founded in 1995 by Shaker bin Zaid and Ali al-Husri, the former of which was a cousin of Hussein's. The Finance Minister and the Governor of the Central Bank sat on its board, and the Nuqul, Darwazah, Abu Jaber, and Kawar families provided much of the early capital (Schlumberger, 149).

Sectoral Share of National GDP, 1974-1989

Unit: Percentage[317]

Unit: Percentage[317]

	Agriculture, forestry, and fishing	Mining and Quarrying	Manufacturing	Electricity and Water	Construction	Wholesale and retail trade; Hotels and Restaurants	Transportation and communications	Finance, real estate and business services	Producers of Government services	Other services
1974	16.5	3.2	7.7	0.9	6.2	12.3	9.6	22.6	18.8	2.2
1975	7.9	4.4	8.9	0.8	9.5	12.5	11.2	22.2	20.3	2.3
1976	8.8	3.7	9.9	0.8	9.2	13.5	12.2	17.2	23.5	1.3
1977	9.1	3.4	10.8	0.7	9.5	14.6	12.9	16.8	20.1	2.1
1978	11.3	2.9	10.2	1.1	9.8	13.3	13	17	19.5	1.9
1979	7	3.1	13.5	1.2	9.9	13.1	12	18.7	19.5	2
1980	7.9	3.8	12.7	1.6	9.9	14.2	12.1	17.5	17.7	2.3
1981	6.1	3.3	14.5	1.8	10.2	16.4	13	15.4	17.2	2.1
1982	6.1	3	13.9	1.9	11.4	16.6	13.4	15.3	16.7	1.7
1983	6.8	2.7	12.7	1.4	11.6	16	14.2	16.1	17.1	1.4
1984	5.5	3.6	14	1.8	10.5	16.3	13.1	16.9	17	1.3
1985	5.5	3.7	11.5	2.2	8.3	16.2	14.9	17.6	18.4	1.5
1986	6.3	3.8	10.6	2.4	7.6	15	15.1	17.5	20.3	1.4
1987	7.3	3.6	11.4	2.6	7.4	14.3	14.8	17.5	20.7	1.5
1988	6.9	4.2	10.1	2.6	5.8	13.1	15.1	19.4	21.5	1.2
1989	6.6	7.3	12.1	2.5	4.8	8.6	17	19.6	20.4	1

Collapse: Crisis, Stabilization, and the Prelude to Abdullah

While OPEC's embargo facilitated one of the greatest redistributions of wealth in modern global history, the good times did not last forever. By the early 1980s, the price of crude oil on international markets was tracking consistently downward, precipitating a commensurate decline in the petro-derived rents annually accruing to the governments of Saudi Arabia, Kuwait, Libya, and Iraq.[318] In this climate, the regional partners upon whom Jordan had grown increasingly dependent over the course of the 1970s themselves grew increasingly conservative

317 Data provided by Masri (2005), Index13, Table 2

318 The Iraqi economy was also dealing with the stress introduced by the country's endless war with Iran.

when it came to the extension of budgetary support, development grants, foreign lending, and energy concessions.

As was earlier mentioned, in attempting to fill the gaps left by the reduced availability of external assistance, Jordan's economic policymakers first turned to domestic and international bond markets. This kind of debt financing accelerated under the government of Zayd al-Rifa'i in particular. Foreign-held debt swiftly spiked to unsustainable levels, growing from 1.6$ billion in 1981 to 8$ billion as of 1989.[319]

If already stressed by the prospects of a sovereign debt crisis, the troubles facing the Jordanian economy only worsened once Iraqi importers, under the stress of war, proved unable to honor a number of contracts previously agreed upon with Jordanian enterprises. Firms in the banking, pharmaceutical, and industrial sectors were especially exposed to the losses thereby rendered, precipitating a wave of national bankruptcies. Nor did the bad times end there. Upon the King's announcement that Jordan would unilaterally rescind its claim on the West Bank—a decision triggering capital flight as anxious ethnic Palestinians grew concerned about their legal standing in the Hashemite Kingdom—, the economy next gave host to a full scale banking crisis as well. With the situation made even more desperate by international creditors' refusal to extend the government new loans, come 1989, King Hussein was eventually forced to turn to the IMF. Far from playing the role of savior, however, neither the injection of the Fund's emergency capital nor the policy advice they administered were sufficient in stemming the bleeding. Quite to the

[319] Jawad Anani, "The political sociology of Jordan: an analysis of the map of gains and pains", in *Management and International Business Issues in Jordan (*2001), p.176.

contrary, in fact, the IMF's successes in *convincing* the King of the need to liberalize the Jordanian Dinar quickly brought about rapid devaluation, thereby introducing a currency crisis onto the list of economic traumas already inflicting the economy.[320]

Finally, amidst all of this economic chaos, one of Hussein's relatively rare foreign policy miscalculations also precipitated the undoing of the Palace's previously stable (if externally dependent) social control strategy. Due to his decision to maintain Jordan's neutrality during the first Gulf War (1991-1992), Hussein had incurred the wrath of both the conservative Gulf monarchies and the United States. This wrath expressed itself not only through the cessation of budget assistance. What was worse, Hussein's neutrality—in conjunction with Yasir Arafat's open support for the Iraqi war project—enraged the al-Sabah of Kuwait to the extent that they decided to expel the country's huge ethnically Palestinian, legally Jordanian expatriate labor force. By consequence, 200,000 Jordanian nationals were forced to make an involuntary reverse pilgrimage in 1990-1991, returning to an East Bank they hardly knew in hopes they might rebuild their lives in the nation of their citizenship.[321] For an economy already suffering under a long recession, the arrival of these native immigrants pushed a fully saturated labor market (and the social fabric it undergirded) to the point of breaking.[322]

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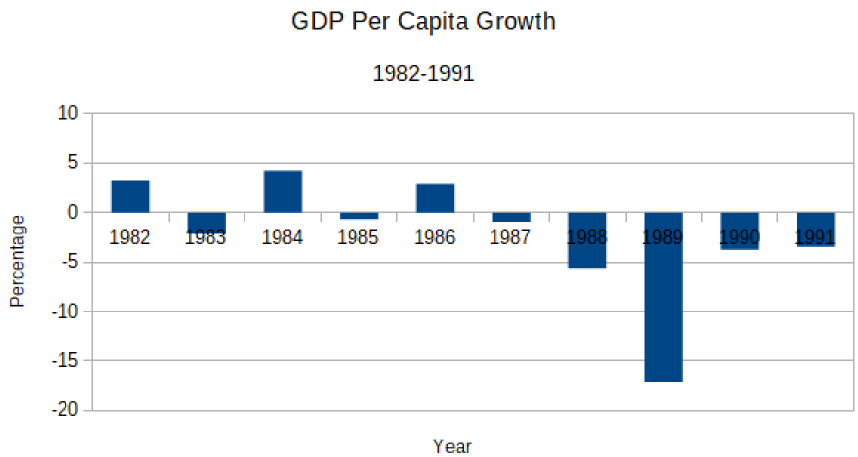
320 Shortly thereafter, Jordanian policymakers unilaterally opted to re-establish the currency peg.

321 While these returnees brought considerable savings with them, much of this ended up only further inflating the real estate speculation that had been largely running wild since the mid-1970s. See: Adnan Abu Odeh, *Jordanians, Palestinians & the Hashemite Kingdom in the Middle East Peace Process* (1999), p.233.

322 The injection of these 70,000 job seekers, in fact, wound up deepening a fundamental disjuncture between labor supply and labor demand (especially in the private sector), rendering unemployment and labor force non-participation a structural component of the economy going forward.
See: Le Troquer and al-Oudat (1999), p.41



Data provided by World Development Indicators Database (World Bank)

Bottom was eventually hit and the worst of what was a rather staggering recession came to a close by 1991. In the aftermath, a new low growth, low accumulation form of capitalism—one shaped by Hussein's partial, highly uneven implementation of the IMF's liberalization agenda[323]—wound up consolidating. In broad strokes, this capitalism allowed the palace's

323 See: Jane Harrigan, Hamed el-Said, and Chengang Wang, "The IMF and the World Bank in Jordan: a case of over optimism and elusive growth", *Review of International Organizations (*2006), pp.263-292, for more on this era of the IMF's interventionism in Jordan.

In a nutshell, as the aforementioned authors establish, the IMF was never quite as austere (or effective) a disciplinarian in Jordan as is typically assumed, and that the Hashemite regime was never quite as dutiful a student as is sometimes remembered. By consequence, Jordan's economic liberalization in the 1990s would be highly partial, selective, uneven, and incoherent.

neopatrimonialism to endure, the state's very *particular* interventions in the economy to continue, and *market* competition to remain as compromised as ever.[324]

With a few notable exceptions, the state's mass-oriented economic interventions were to remain anchored to the modality of welfarism that had been institutionalized in the mid-1970s.[325] Regarding the consumption-facing aspect of that welfarism, though state subsidies on gas and oil (in 1989) and wheat (in 1996) were briefly lifted[326], and though the regime was forced by its DC-based creditors into briefly flirting with means-testing social protection more generally, the IMF et al. were ultimately unsuccessful in dismantling any of the major (and universalist) mechanisms through which prices were controlled.[327] Similarly, though public hiring did decrease

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[324] Knowles has argued that the new, post-crisis political economy was different from the previous iteration to the extent that Jordanian rentierism slowly morphed from the petrodollar-financed, induced state rentierism of the 1970s and 1980s to a somewhat novel, market oriented system of rentierism.

Be that as it may, the state would hardly be retreating into the role of the night's watchman. A quick survey of the Jordan Investment Corporation's holdings during the 1990s can give some indication of this non-retreat. As of 1998, this nominally autonomous public credit institution still held an estimated 40% of the Amman Financial Market's aggregate capital stock which. Though the 40% figure actually represents a considerable decline as compares to even three years earlier (the JIC's holdings were upwards of 60% as of 1995), it is still an extremely large larger. When one also considers that much of JIC divestment functioned as accounting misdirection—specifically, many of the JIC's shares in state owned and private owned enterprises were sold to the Social Security Corporation and other nominally autonomous, government run credit institutions—the regime's direct and indirect stake in the economy was likely to be much larger than that already enormous figure.

[325] See: Peters and Moore (2009), p.275; Knowles (2001), p.119

[326] Each instance precipitated massive protest and a swift reversal in policy from the government. On these protests, see:
Lamis Andoni and Jillian Schwedler, "Bread Riots in Jordan", *Middle East Report* (1996), pp.40-42.
Curtis Ryan, "Peace, bread and riots: Jordan and the International Monetary Fund", *Middle East Policy* (6:2), 1998, pp.54-66.

[327] On this ultimately non-consummated flirtation, see Knowles (2001), p.251.

That said, it should be acknowledged that the Ministry of Supply—the institution previously responsible for administering the state's subsidization of goods—was disbanded in 1998.

during this period—and though caps on new employment did impart generational tensions into the labor market[328]—, the Palace/state never renounced its role as employer of last resort.

If mass oriented interventions were marked by continuities more than changes, the same could not be said of the state's elite-oriented interventions.[329] Here, the Palace used new means to protect old incumbents while simultaneously introducing novel policy measures so to blood a fresh generation of private sector elites. Specific to the incumbents, the King and his allies intervened so to shelter this old guard from the various threats inherent to the IMF's reform agenda. When it came to macrostabilization, for instance, and the various tax-related changes being required of his regime, Hussein et al first managed to protect import-dependent merchants through inserting a host of exemptions into the General Sales Tax regime.[330] Across these years, they also consistently filibustered the establishment of income and corporate tax collection systems. When it came to the IMF's push for current and capital account liberalization, meanwhile, the regime also arranged that the Investment Promotion Law of 1995 contained a series of sector-specific limits on foreign ownership. In this manner, such *rentier's* protectionism insulated construction and contracting, land and air transport, trading and trade services, banking and insurance, telecommunications, mining, and agricultural production from significant

[328] This tension manifested in public employment's privileging of incumbent, older workers (and their benefits) and the gulf that subsequently opened up between those *grandfathered* into the old welfarism and the thousand of young aspirants who found the paths that their fathers had walked in securing a middle class life now closed (Peters and Moore, 2009, p.277).

[329] Though it has rightly been argued that there was a move to re-formalize business-state relations during this period—a move necessitated by the IFI's interventions and not infrequently funded and institutionalized through the USAid managed EMIR project—formalization did little to mitigate the enduring rentierist relationship between a privileged elite and the regime.

[330] Anani (2001), p.180.

foreign competition in particular—sectors united by the fact that they were each a preserve of the old bourgeois elite.[331] When the Palace did eventually acquiesce (in part) to the IMF's wishes regarding privatization, finally, it would mediate the process of public divestment so to steer a number of valuable and profitable state-owned enterprises into the hands of these same clients/allies. Sabih Masri's acquisition of the Jordan Hotels and Tourism company provides but the most famous example of this kind of curated, non-competitive (and discounted) sale.[332]

Turning to the *new blood,* it should be acknowledged that Hussein's half-hearted privatization campaign also served as the principal mechanism through which the regime integrated politically connected ethnic Transjordanians into the elite fraction of the capitalist class.[333] On occasion, both nouveau riche and old elite could be served in the same transaction. The sell-off of the Jordan Telecommunication's Company (JTC) in 1995, one of the day's most profitable of the SOEs, provided one such example.[334]

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331 See: Knowles, p.288.

332 On this sale, see Knowles, p.248.

333 On this aspects of privatization, see: Yitzhak Reiter, "The Palestinian-Transjordanian Rift: Economic Might and Political Power in Jordan, *Middle East Journal* (58:1), 2004, pp.72-92. Also, see: Wils, p.134; Peters and Moore, p.277; Schlumberger (2004), pp.150-158.

As Peters and Moore document, the Rifai family's migration into the economic elite would be most illustrative of this phenomenon. Leveraging his position as CEO of Jordan Dubai Capital alongside his family's inviolable standing within the political elite, Samir Rifa'i managed to assert himself (and to extract healthy returns) during the disaggregation and sell of the Jordan Electricity Company.

334 1994 legislation allowing for private investment in "peripheral services"--services including mobile telecommunications technologies—provided the juridical foundation for this privatization and the rise of a number of foreign owned, mega communications companies in the early 2000s.

The JTC transaction was overseen by Shaker bin Zaid, who just so happened to also be the cousin of King Hussein and the son of the sitting Prime Minister at the time. Working with Ali Husri and Jamal Sarayrah, bin Zaid's stewarding of the bidding process was a masterclass in elite rent distribution, one that secured the interest of he

This, then, would be the wider economic context into which Abdullah ibn Hussein, a man who was elevated to the role of Crown Prince only months prior to his coronation, walked in 1999. In the next section of this dissertation, I will examine the capitalism he has helped institutionalize over the course of the next twenty years—and the social structure of accumulation that holds it together.

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and his colleagues as well as the interests of foreign investors, savvy bureaucrats, and a handful of old scions in one foul swoop (Schlumberger, 152).

France Telecom ultimately came away with 35% equity, the Social Security Corporation (one of the state's *autonomous* credit institutions) with 8%, and Arab Bank with 5% (Knowles, 243). With Dajani Associates overseeing the legal paperwork, the same transaction also funneled heavy fees into the coffers of that old guard family.

SECTION 2

Jordan's Social Structures of Accumulation (1999-2019): Stabilizing Crisis

CHAPTER SIX

Politics, policy making, and the institutionalization of neoliberal capitalism

In this chapter, I will discuss the political institutionalization of contemporary neoliberal capitalism in Jordan. At the level of widest abstraction, this discussion will demonstrate that the insulated, Palace-directed modality of economic policymaking previously institutionalized by Hussein in the post-1973 period has been retained by his son. In addition, it will reveal that Jordanian politics under Abdullah remain more generally oriented by the supremacy and prerogatives of the unitary (monarchical) executive. Though the new King's fluency in *international norms and values*—and his regime's nominal commitment towards democratization— might partially obscure this fact, as power is still wielded autocratically and as authoritarian survival is still retained as the organizing principle of Hashemite politics, this analysis will show that the weight of history is significant (if not constitutive) when it comes to the political aspect of the contemporary SSA.

All of which is not to say that capitalism's political institutionalization today is wholly in keeping with the past. Quite to the contrary, this analysis will also detail a number of transformations that have been sui generis to and facilitative of Abdullah's neoliberal turn. First and foremost in these regards, I will show that Abdullah's empowerment of palace appointed, quasi autonomous policymaking bodies has consolidated a historically unique form of autocratic-technocratic governance. Operating in explicit *opposition* to the traditional apparatuses of the state and in collaboration with a coterie of foreign allies as Abdullah's *nocturnal councils* have, I will develop how this autocratic-technocratic governance imbricates two decades worth of failed development policies as well as the political and social tensions that are fundamental to Abdullah's rule.

This chapter will also foreground how the new King has economized his political class[335] and how this too has contributed to the social disembedding of Jordanian (crisis) capitalism in the 21st century. Where the previous political class had used their control of the state not only to extract rents but also to distribute those rents to a wider constituency (however corruptly or inefficiently), it will be demonstrated that Abdullah's economized leaders—divorced from any domestic social force as they are—see to it that rents are not only reallocated upward, but that they are funneled almost exclusively into the hands of a transnational capitalist class to which they are member. By consequence, I will make the case that capital's colonization of government under Abdullah and the displacements it has implied (both for the old political guard and for the traditional stewards of the bureaucracy) are both fundamental to a modality of accumulation characterized by high inequality, high inefficiency, and elite bias.

As regards chapter organization, I will break my analysis into three subsections, each of which will detail a separate instance of technocratic-autocratic governance in the contemporary period. The first subsection will address the composition and legacy of the Economic Consultative Council (ECC). The second will consider the Aqaba Special Economic Zone Authority (ASEZA). The third, finally, will key in on Omar Maa'ni's tenure as Mayor of the Municipality of Greater

[335] By economized, I refer to the movement of private sector elites into positions of governing and policymaking authority.

Amman (GAM). Collectively, these instances of technocratic-autocratic governance will be shown to have articulated the legislative and juridical foundations of today's capitalism of crisis. Their record will also be sufficient so to establish how the *political* more generally pervades the contours of the contemporary social structure of accumulation.

Importantly, I want to emphasize at the outset that the organization and performance of the three autocratic-technocratic policymaking bodies reviewed in this chapter are indeed representative of more general trends in contemporary economic governance/policymaking—and are therefore wholly unexceptional within the context of Abdullah's Jordan. At the level of national policy planning, for instance, this trend towards transferring of power away from the parliament and/or state bureaucrats and towards palace-aligned, technocratic bodies has been evinced many times over. Take the Jordanian Investment Board (later renamed the Jordanian Investment Commission, or JIC) as an example. Not unlike the ECC, the JIC's membership is royally appointed, inclusive of some government officials, and dominated by individuals recruited from Jordan's various Chambers of Commerce and Industry. Like the ECC as well, its offices are linked directly to the Prime Minister's, an office filled, of course, by another appointee of the King. Granted a wide mandate when it comes to developing and evaluating investment policy, the JIC's royal establishment therefore epitomizes the same insulated, autocratic-technocratic governance that I will be scrutinizing through the examples of the ECC, ASEZA, and Ma'ani's GAM. The same could also be said of Economic Policy Council. Founded in 2016, this Abdullah-appointed consultative body has been empowered to chart major development strategies. It too is comprised of private sector representatives, representatives of the Royal Court, and a handful of ideologically aligned government ministers, and it too is wholly unaccountable to any popular institutions.[336]

While the constraints of space and theoretical saturation dictate that this chapter shall not dive any further into the business of the JIC or EPC, I briefly reference their examples here—and I could reference many others—in order to reassure the reader that I have not cherrypicked the policymaking bodies featured here in order to distort or misrepresent the nature of capitalism's political institutionalization. Put simply, my cases have been selected because they are the most impactful and emblematic examples of a generalized phenomenon—and because they are therefore the most empirically relevant *and* theoretically illuminating instances that can be studied on this subject matter.

(1) The Economic Consultative Council (ECC)

In December of 1999, the freshly anointed King appointed an Economic Consultative Council (ECC). Like the ESC before it, this Council was established under the pretense that it provide an advisory function—that it house the kinds of expertise that the country's political leadership would need as they developed their (IMF-mandated) economic reform agenda.

Pretense not withstanding, the ECC swiftly acquired legislative and administrative mandates of wide remit and negligible oversight. Specific to the former, the ECC was enlisted to supply the policy content of the royal decrees and provisional legislation that Abdullah used as a

[336] Colin Powers, "Policy convergence, (under)development, and Jordanian economics under King Abdullah", *Middle East Law and Governance* (forthcoming).

workaround for having to deal with either the Senate or the Lower House during the early years of his tenure.[337] The Council's legislative powers—which were rather total between 1999 and 2003[338]—, would then be matched by administrative prerogatives after the King exploited the upheaval and chaos borne of the second Intifada and the American invasion of Iraq so to move members of this ECC into high leveraged, Ministerial-level positions within the bureaucracy.[339] Operating as a de facto private parliament as much as an autonomous, royally-blessed cabal within the state apparatus, the ECC was thereby made steward of a new Jordanian economy.

Of the twenty people appointed to the Council, fourteen hailed from the Jordanian private sector.[340] Contemporaries and personal associates of the King, the majority of this fourteen were, in fact, legacy children of the *quota coterie*—the grandchildren and great grandchildren of those families that had rose to such prominence in the 1940s due to the Emir's manipulation of war-time import licensing. Complementing the politically knighted agents of old money within

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337 Given its advisory remit and its location outside the state bureaucracy, the ECC's path to legislative influence was not immediately apparent. Upon the outbreak of the Second Intifada (and, later, the Iraq War), however, each of which provided casus belli for Abdullah's move against the parliament and democratization, this influence swiftly came to be felt. By cynically conjuring a political emergency—and by dismissing the parliament—, after all, the constitutional grounds were cleared for the monarchical executive to govern through provisional law. No longer needing to contend with unruly elected representatives, emergency also provided for a context within which the ECC could be elevated to a position of royally endorsed prominence without having to face undue political scrutiny.

338 At least as relates to the economy, of course.

339 Ali Abu Ragheb was even appointed Prime Minister in 2001, with his cabinet largely filled by ECC members as well.

340 As further regards the genealogy of Abdullah's new economized elite, it is also worth noting that many amongst the ECC's number had been enlisted in a USAid *Leadership and Team Effectiveness* training program at Yale University during the 1990s (DeBruyne, 2013, p.157). Not only was Jordan's emergent policy class dominated by the representatives of domestic capital; it was also a coterie filled by subjects trained and socialized in the American paradigm of liberal development.

Abdullah's economized elite—Karim Ka'war[341], Fawwaz Zu'bi[342], Ghassan Nuqul[343], Sabih Masri[344], Khalid Touqan[345], Muhammed Abu Ghazeleh[346], Nadim Mu'asher[347], Sahel al-Majali[348], Raghabed Kurdi[349], Suhair Ali Dabbas[350], principally—were a second clique representative of Jordan's new, tech-facing capitalist class. Prominent amongst this latter group were Fadi Ghandour[351], Salah al-

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341 Ka'war was and is one of the biggest players in Jordanian technology, president of the Ideal Group and Int@j at the time of his appointment

342 Zu'bi was owner of the Adritec Group, an industrial agricultural equipment firm, at the time of appointment

343 Nuqul had inherited the Nuqul Group, a massive family owned conglomerate operating across a number of different sectors

344 The one elder statesman within these business elites, Masri, the current Chairman of Arab Bank, was running Zara Investments and a number of other financial and real estate enterprises at the time of his appointment.

345 Touqan had been President of Balqa University prior to his appointment.

346 Ghazeleh, the son of Talal Abu Ghazeleh and his massive legal empire, also held senior posts at Del Monte and Jordanian Poultry.

347 Mua'sher was Director of Ahli Bank and Chairman of Arab International Hotels Company and al Dawliya for Hotels and Malls at the time of his appointment. He would later become chairman of Elzay Ready Wear Manufacturing Company, a garments manufacturer awarded the status of a special economic zone.

348 Majali was founder of Mid Contracting Jordan, a firm that would be one of the principle beneficiaries of the construction boom overseen by the ECC and the Palace across the 2000s. Majali and Kurdi were assigned the ECC portolio responsible for foreign investments and investment climate. Majali would later be immersed in a massive corruption scandal centering on a public housing contract.

349 Kurdi was CEO of Hayat Pharmaceuticals, the largest enterprise in one of the few sectors experiencing significant growth in the 1980s and 1990s (growth that would collapse following the signing of the Jordan-US FTA).

350 Suhair was working for Citybank at the time of her appointment to the ECC.

351 Ghandour founded Aramex, an international shipping company employing more than 2,000 worldwide.

Din al-Bashir[352], Muhammed Halaqa, Ali Abu Ragheb[353] and Baseem Awadallah.[354] Head of the Royal Court's economics department, Awadallah served as the King's pointman within the ECC and as the chief architect of his neoliberal redesign.[355]

As regards that redesign, the ECC used the political hegemony it acquired between 1999 and 2002 to pass what the International Crisis Group described as a "massacre of legislation", one that reordered the basic orientation of the economy—and that articulated a new form of capitalism in the process.[356] The newness of this capitalism would be primarily articulated through five innovations: (1) expedited and intensified economic opening; (2) a transfer of public assets into (particular) private hands; (3) the institutionalization of a class-biased fiscal sociology; (4) a partial monetarist turn at the Central Bank of Jordan; and (5) by the demarcation

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352 Bashir is a lawyer; he has served on many subsequently established "consultative bodies" such as the Economic Policy Council

353 Abu Ragheb had been managing director of National Engineering and Contracting Company between 1971 and 1991, after which he began his political career. He would also be one of the most infamous characters fingered in the Panama Papers scandal.

354 The inclusion of Al-Bashir—who was married to Reem Badran, daughter of the many-time Prime Minister Mudar Badran—meanwhile, allowed the King to incorporate some of those families that had been so central to his father's *house politics* and strategy of elite circulation on-side as well as he shifted political power distinctly in the direction of private sector capital (Schlumberger, 139-140). Though not of the elite fraction of domestic capital themselves, finally, Abu Ragheb and Halaqa—the latter of which would serve as both Head of the ECC and Deputy Prime Minister in the former's government—were the political class' true believers when it came to Abdullah's neoliberal project (De Bruyne, 2013, p.157). Steadfast ideological allies, each would serve this project in a number of different capacities across the coming decades.

355 Awadallah would later be on the wrong-end of an endemically politicized anti-corruption struggle, an outcome that forced him out of government and more or less into a London-based exile.

356 The International Crisis Group, "The Challenge of Political Reform: Jordanian Democratisation and Regional Instability", Report (October, 2013).

of a new economic geography—legally achieved through the establishment of a constellation of special economic zones and export processing zones.

Politics in General in the Age of Abdullah: A Liberal King, Performances of Reform, and Anti-Democracy

Though Abdullah came to office keen to style himself in the aesthetic of reformism, his revanchist authoritarianism apparent from the very inception of his reign. So to expedite the roll back of Jordan's democratization—a rollback that was ongoing since his father's signing of a peace deal with Israel at Wadi Arabah in 1994—, the young King first adopted a number of juridical measures designed to guarantee the enduring inconsequentiality of the parliament. Foremost amongst these measures, upon taking power, Abdullah immediately ensured that the monarchical executive's discretionary and exclusive authorities when it came to powers of the purse, foreign and defense policy, monetary policy[357], the legislative process[358], the appointment of the Prime Minister and his/her government, and the dismissal and/or suspension of parliament were all retained. Leaving the upper house of Jordan's parliament (the Senate) a royally appointed body—and impeding any reform to the gerrymandering and single non-transferable vote (SNTV) method that functioned to compromise the electoral system determining the composition of the parliament's lower house—, he assured that those democratic institutions that were allowed to exist were hollowed out and compromised as well.[359]

Furthermore, though Abdullah was forced to accommodate the democratizing whimsy of his American sponsors during the *freedom agenda* period of the Bush presidency, even then, he would so in a manner that guaranteed his autocratic infrastructure—an infrastructure centered on his person, the Royal Court, and the General Intelligence Directorate (GID)—never actually came up for debate.[360] As the parameters of the Abdullah's *democratic* hermeneutics were always to be structured by the ontological priority assigned to regime survival (first) and

357 As would become apparent during the financial crisis of 2008, the independence of the Central Bank of Jordan is nominal at best. When subjected to the pressures of the King, it does as requested, regardless of the country's long-term economic health.

358 Not only did the Royal Court retain sole authority when it came to the introduction of bills, it also retained the right to legislate through decree and the issuance of provisional law.

359 For more on this democratic hollowing, see: Sean Yom, "The new landscape of Jordanian politics: social opposition, fiscal crisis, and the Arab Spring", *British Journal of Middle Eastern Studies* (42:3), 2015.

While the authoritarian nature of Abdullah's early governance was far from subtle, it would grow even more explicit by the early 2000s. When protests filled the streets following the outbreak of the second Intifada and, slightly later, the second American invasion of Iraq, the King would suspend parliament and rule almost exclusively through provisional decree up and through roughly 2005.

360 See: Colin Powers, "Policy convergence...", *Middle East Law and Governance* (forthcoming).

Politics in General **(continued)**
economic liberalization (second), a government by and of the people would never actually be on the table.

Furthermore, though Abdullah was forced to accommodate the democratizing whimsy of his American sponsors during the *freedom agenda* period of the Bush presidency, even then, he would so in a manner that guaranteed his autocratic infrastructure—an infrastructure centered on his person, the Royal Court, and the General Intelligence Directorate (GID)—never actually came up for debate.[1] As the parameters of the Abdullah's *democratic* hermeneutics were always to be structured by the ontological priority assigned to regime survival (first) and economic liberalization (second), a government by and of the people would never actually be on the table. A similar performance of political reform to the one seen during the Bush years would commence following the shock of the Arab Uprisings. As Maria Josua has capably detailed, 2011-2012's National Dialogue Committee (NDC), another body meant to plot the course for subsequent democratic reform, actually functioned and operated just as previously aborted democratization initiatives had. To begin, participants in this Committee were hand selected by the Palace, which allowed the King and his Royal Court to screen and exclude the more ambitious of the regime's democratic challengers. Having already curated the committee in this manner, the Palace would also insure that a loyalist faction within the institution acquired a kind of proceduralist control so to dictate what kind of reforms were being brought up for discussion.

If the more polite contingents of the democracy moment were stifled through machinations at the NDC, others were managed through a deft strategy of selective co-optation. For the frustrated Military Veterans that had emerged as a significant opposition force during these years, co-optation would be instrumentalized through makrama[1], wage increases, and increased public sector hiring. Having thereby taken away some of the grievances mobilizing the movements, the regime next worked to pick off many of this opposition's most capable leaders—including Khalid Kalaldeh of the Social Left, who was appointed Minister of Parliamentary Affairs in 2015 and who later served as Election Commission President—by integrating said actors into the senior ranks of the state. Rendered somewhat rudderless and disoriented by the Palace's interventions, the early promise of this militarized revolt eventually dissolved into ineffectuality. As for the more antagonistic of the actors pushing for democracy at this stage—actors such as Al-Hirak and the Southern Movement—, the regime would use a host of more kinetic-coercive means to break their momentum.

The first of these *innovations* was operationalized through tariff rate reductions, through the fast-tracking of Jordan's accession to the WTO, and the through establishment of highly invasive free trade agreements (FTAs) with the United States and European Union.[361] More than *opening* the Jordanian economy to the world, the modality of global integration thereby institutionalized by the ECC/Palace would also imply wholesale changes to Jordan's regulatory[362], tax, investment, and industrial policies, as I will later detail.

The ECC/Palace's selective *offloading* of public assets—policies, it should be said, that were legitimated through appeal to the same promises and necessitarian arguments as were typically articulated by economists at the IMF and World Bank[363]—, meanwhile, was largely achieved through Privatization Law no.25 of 2000. Prior to the passage of Law no. 25, privatization had proceeded in a piecemeal fashion. For each entity that the state was to divest from (in part or in whole), specific legislation needed to be written, debated, and approved by the parliament. The discrete proceduralism baked into such a process allowed actors both within parliament[364] and the larger apparatus of the state to interject themselves and their constituencies into negotiations with prospective buyers and investors. While occasionally

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361 35% in the mid-1980s, the rate was brought down to 13.5% as of early 2000.

362 Ferris Nesheiwat, 'The adoption of intellectual property standards beyond TRIPS- is it a misguided legal and economic obsession by developing countries', *Loyola LA International and Comparative Law Review,* 32, 2010, pp.361-394.

363 Jordanian policy planners, like Bank economists, made the case for privatization by suggesting that the receipts from sales could be used to finance public investment in infrastructural upgrades and human resource development. The Privatization Law of 2000 had stipulated that up to 15% of the receipts gained through privatization would be reinvested in infrastructure and retraining programs. Whether made in bad faith or not, such an arrangement never came to pass, as subsequent lending agreements with the IMF would earmark nearly all the proceeds from privatization for external debt buybacks.

For the Bank's discourse on privatization, see: The World Bank, *Claiming the Future: Choosing Prosperity in the Middle East and North Africa*, *(*Washington, DC: World Bank, 1995)

364 In particular, Prime Minister Majali and the Economic and Finance Committee of the Lower House would play a critical role in pumping the brakes on many of these transactions (Knowles, 2001, p.240)

successful in stonewalling a privatization initiative all together—as was the case in 1998 during the attempted privatization of the Aqaba Railway Corporation[365]—, the politicization of these processes also allowed state representatives to more generally exert their leverage so to offer some modicum of protection to the workers that might be affected by a sale. Amongst other examples, it was through these kinds of politicized interventions that the government retained ultimate board control of the Jordanian Cement Factory despite LaFarge's acquisition of 36% equity in 1998.[366]

The passage of Law no.25 and the streamlining of privatization that it allowed, then, not only expedited the mass offloading of public assets; it also removed what limited protection parliamentary mediation had previously provided to those most likely to be affected.[367] Within a matter of months—as soon as October of 2000 to be specific—, and under the direct supervision of the ECC, thirty-four of the forty companies targeted for state divestment under a 1997 strategic plan had been fully or partially privatized.[368] This included a number of the country's largest and most valuable (if unprofitable) assets, including Royal Jordanian Airlines, the Jordanian Telecommunications Company, the Jordan Phosphates Mining Company, and the Arab Potash Company.

365 Knowles (2001), p.244

366 These kinds of interventions also imposed conditions of purchase on Lafarge that restricted, at least temporarily, any post-facto dismissal of workers (Knowles, 241)

367 Sufyan Alissa, "Rethinking economic reform in Jordan: confronting socioeconomic realities", Report: Carnegie Middle East Center (2007), p.12.

368 Knowles (2001), p.245

Unlike the second innovation, the ECC's institutionalization of a class-biased fiscal sociology required a number of synchronized steps. On the revenues side of the ledger, this began with the imposition of a regressive, downwardly punitive Valued-Added tax.[369] The dislocating, polarizing effects that were introduced through the VAT were then compounded by both the non-establishment of progressive income or corporate tax regimes and by the extensive tax exemptions that the state opted to offer foreign investors in particular. On the expenditures side, reductions in social and capital outlays—institutionalized in the name of fiscal consolidation—only further consolidated the distributive logic at the heart of this capitalism's new fiscal sociology.370

As for the Palace-ECC's monetarist innovations, their instilling of price stability as the singular mandate of the Central Bank would make it nearly impossible for future governments to uphold many of their constitutionally inscribed social obligations, further accelerating the disembedding of the economy.[371] The ECC's demarcation of a new economic geography, finally, was, as mentioned, operationalized through the establishment of a network of special economic zones (SEZs) and export processing zones (EPZs). Juridically constructed so as to be outside the laws, rules, and regulations of Jordan *proper,* these zones—some of which are privately owned and managed—also provided firms operating within their jurisdiction with an extensive list of

[369] It should be acknowledged that the VAT was only implemented in 2001; prior to that, Abdullah's revenue strategy relied upon an equally punitive General Sales Tax regime, however.

[370] Reductions in capital spending of course also undermined long-term growth prospects as well.

[371] The Jordanian constitution contains provisions regarding a jobs guarantee as well as others defining the state's remit as based on the maximization of employment and the delivery of "higher and more equitable distribution of income."

non-conditional subsidies, tax breaks, and investment incentives. This *innovation* would come to be implicated in many dimensions of the contemporary social structure of accumulation, informing everything from the social control regime that stabilizes accumulation today to the forms of market competition and profit seeking now prevailing to this capitalism's developmentally disastrous external articulation.

The ECC's demarcation of a new economic geography also segues rather perfectly into the next policymaking body to be discussed in this chapter. The story here begins with the aforementioned massacre of legislation and with Law no.32 of 2000 in particular. Written in consultation with Senior Legal Advisors from Deloitte Consulting[372] (namely, Jean-Paul Gauthier) and steered through intense Cabinet-level debates by Ali Abu Ragheb[373], this law, part and parcel of the effort to legally define a new geography in Jordan, conjured into existence a rather bizarre, quasi-extranational space it called the Aqaba Special Economic Zone.[374]

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[372] Unsurprising, perhaps, to students of contemporary global development, the genealogy of ASEZA ultimately traces back to the boardrooms of private management consultancies. The principal actors involved in developing the idea of an export processing zone in Aqaba were Gensler Architects, ECO-Consult, and AECOM International, each of whom had been commissioned for this work by the World Bank and/or USAid (De Bruyne, 169). Borrowing heavily from models and rationalities initially developed through USAid's experimentation with export processing zones in the Philippines, the plans the consultancies ultimately came up with are representative of the perverse south-to-south learning that has become so common in contemporary development.

[373] On these cabinet debates (where the vast majority of the government's ministers expressed resistance to Abdullah's desired special economic zone-policies, and where Abdullah eventually had to sidestep that cabinet and the traditional legislative process as a result), see: Marwan Kardoosh, "The Aqaba Special Economic Zone, Jordan." Paper: World Bank Governance Knowledge Sharing Program, Policy Initiatives and Reforms in the MENA Region Workshop (2004), pp.15-18.

[374] On Gauthier's involvement, see: Locus Economica, "Advising on Jordan's Special Development Areas Law" (available at: http://www.locuseconomica.com/blog/2016/9/2/assisting-jordans-special-development-areas-law).

The Aqaba Special Economic Zone was bizarre because unlike Jordan's other special economic zones—which were typically established on non-residential, relatively marginal industrial estates—, this one was to include one of the country's largest cities (Aqaba) within its borders. Rather than extracting some peripheral, peopleless landscape from the legal jurisdiction of the national government, then, Law no.32 was to unilaterally relocate an entire governorate (constituting 7.4% of Jordan's total territory and populated by more than 111,000) into some strange ether outside the direct purview of the state, elected representatives, and, in many instances, the law itself.[375] The residents of this *zone* were to henceforth be governed by an unelected body called the Aqaba Special Economic Zone Authority (ASEZA), an Authority whose state-charged remit centered on attracting foreign investment and driving exports before all else. To this body we now turn.

(2) The Aqaba Special Economic Zone Authority (ASEZA)

Following the passage of Law no.32, Aqaba's full reconstitution as a special economic zone governed by the discretionary authority of an unelected ruling body (ASEZA) alone was not yet

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375 See: Debruyne (2013), p.172.
This was finalized and made material in May of 2001 when the Aqaba Municipal government was dissolved and the Aqaba Special Economic Zone Authority (ASEZA) began its rule. Though the residents of the Aqaba Special Economic Zone (at least the Jordanian nationals amongst them) retained their constitutional status as Jordanian citizens and though the lands themselves were to remain the sovereign possession of the Hashemite Kingdom, this legislation nonetheless removed Aqaba and its people from Jordan proper in a very substantive way, as I will detail.

complete. Indeed, a great deal in the way of juridical acrobatics would still be required of Abdullah's policy elite.[376]

More specifically, such acrobatics were needed in order to carry through what were legally complex transfers of powers, transfers that would take authorities previously invested in government ministries or elected officials and reassign them to ASEZA. In implementing these transfers, Abdullah's policy elite ultimately and primarily relied upon the issuance of Memorandum of Understanding. Eighteen such memoranda, in fact, were signed over the course of the early 2000s—memoranda that were not, of course, subject to public oversight and that contained no mechanisms for popular participation.

Collectively, these MoU's ascribed ASEZA legal jurisdiction for areas of governance far beyond the development initiatives that had initially defined its remit and raison d'etre. Granted "financial, fiscal, and administrative independence", operating its own visa and work permit system, managing the educational system for hundreds of thousands, and handling portfolios as diverse as security, poverty alleviation, road building, and social development, ASEZA was made a sovereign and independent state in all but name. As one communications officer for ASEZA later remarked, "there is but one government in Aqaba (and) that is ASEZA. We are surrounded by four countries, including Jordan."[377]

The aggregate effects of these *transfers through memoranda* were not only to render ASEZA a de facto state within the state, however; they were also to empower a small cabal of

[376] In addition to the city of Aqaba (and the city's port), Wadi Rum and Wadi Araba, the former of which stands as one of Jordan's biggest tourism assets, were both redistricted to ASEZA as well.

[377] See: Debruyne (2013), p.174-175.

former ECC staffers[378] within ASEZA's de facto state with totalizing and autocratic powers of governance.[379] By virtue of ASEZA's organizational structure—a structure that separated the Authority's operations into six discrete domains, each of which was to be presided over by a Commissioner invested with subtantial discretionary power[380]—, a mere six individuals, in fact, colloquially referred to as *al-Mufawwadiyya*, were able to build and rule what amounted to localized fiefdoms in Aqaba through personal diktat. They did so, moreover, while working in collaboration with Bechtel Corporation, the rather nefarious American construction giant who managed to procure an interim contract (after a largely non-competitive process) for the management and development of the special economic zone in 2002.[381]

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378 As regards those former ECC staffers, across the 2000s, ASEZA's rotating *al-Mufawwadiyya* filled its ranks with personnel either directly transferred from the Amman-based consultative council or enlisted from the wider cohort of internationally-oriented, private sector bourgeois elites (from which the ECC had itself recruited).

That said, one caveat should be noted: the first Chief Commissioner, Mohammed Kalaldeh, had genuinely sought to embed the Authority in the social fabric of Aqaba and to anchor development to the needs of local peoples. It was not until Aqel Biltaji's appointment as Chief Commissioner that the neoliberal kingsmen fully took over.

379 Interestingly (and I will detail in chapter eleven), policymakers attempted to legitimate the anti-democratic coup internal to this technocratic-autocratic form of governance by evoking many of the public choice theory-based scripts that are so central to the wider neoliberal turn. Posited as the antithesis of the *political*—a concept that was itself ontologically invested with shortsightedness, irrationality, local particularism, and the corruptions of *special interests—,* ASEZA was conjured and sold as a necessary negation, as a modality of ergonomic, rationalized anti-politics concerned oriented purely with the universal interest. In an act of discursive inversion, the obvious problems intrinsic to ASEZA's autonomy, insularity, and more general freedom from oversight are therefore reframed as a solution to the rent-seeking system of *wasta* that was to blame for Jordan's enduring underdevelopment. As Imad Fakhouri would put it, unlike the *politicians,* ASEZA governed in "the common and public interest instead of private and smaller scale interests" (De Bruyne, 180). ASEZA was here to get things done—which more immediately translated into attracting foreign investors into the economic zone, at which point growth and welfare gains could be assumed—, and that was all the people of Aqaba and its environs wanted anyway, as Bilal al-Bashir, a former commissioner with the Authority asserted (De Bruyne, 168-180).

380 Atop this organizational structure sat a Chief Commissioner. While ultimately accountable to the office of the Prime Minister, the Amman-based government's oversight of ASEZA was nominal at best. See De Bruyne, 174, for more details.

381 On Bechtel, see: Kardoosh (2004), p.26-27.

Problematic as ASEZA's organizational structure already was, matters would only get worse following a *restructuring* of operations in 2004. This restructuring was informed by the Palace's frustrations with the levels of foreign investment that were being attracted into the special economic zone, an outcome that the King et al believed to be caused by the undue influence that *stubborn* local interests were exerting on ASEZA's (already remarkably insulated) governing apparatus.[382] On the basis of the Royal Court's peculiar analysis, it was determined that ASEZA's day-to-day operations in the field of economic development needed to be outsourced to a freshly founded shareholding company called the Aqaba Development Corporation (ADC). Importantly, though this entity was jointly owned by ASEZA and the Jordanian government, its senior staff was to be comprised almost entirely of non-native management consultants. Gerry Post—a man who would pop up again during Amman's urban renewal—and the aforementioned Jean-Paul Gauthier (who was now running a firm called *The Service Group* in addition to retaining his ongoing affiliation with Deloitte[383]*)* took the lead amongst these consultants.[384]

Due to the fact that the ADC was charged with handling a number of diverse and impactful portfolios[385], the decision to staff the organization with foreign management consultants, like the decision to bring Bechtel in as a partner in 2002, would prove deeply consequential in shaping

[382] Given the Authority's almost total insulation (legally or otherwise) from local politics, this causal explanation seems dubious.

[383] Gauthier would go on to found (and serve as CEO) for Locus Economica, an international consultancy explicitly working on special economic zone policy.

[384] Post et al first worked under the banner of a firm called Bearing Point Incorporated. That firm was acquired by Deloitte during the ADC contract, however.

[385] As I will detail, the ADC was central to the sale of Aqaba's port and to the establishment of massive real estate and industrial development projects

not only the development plans that would physically reshape Aqaba, but also the local form of capitalism that would ultimately come to prevail in Jordan's west (east). As USAid had also been heavily involved in ASEZA's work from the very start, moreover, the foreign penetration of the economic policy process in Aqaba extended well beyond the management consultants alone.[386]

Within *al-Mufawwadiyya's* rotating cast of neoliberal Kingsmen itself, the man who ultimately influenced the fate of Aqaba's social, political, economic, and *physical* futures more than any other was Imad Fakhouri. Though an acolyte of *Generation Abdullah,* Fakhouri's path to prominence was slightly different than the other self styled *technocrats* who had been so privileged in policy circles following 1999's royal succession. While Fakhouri had briefly served his time in the private sector as Chief Operating Officer for Century Investment Group (2000-2002), the Harvard and Northwestern-educated man had spent the majority of his pre-ASEZA professional career shuttling between the state bureaucracy and jobs with the United Nations Development Programme. If these professional experiences made Fakhouri different than the businessmen typically favored by the young King, he would be similar to his colleagues in that he too lacked any substantive linkage to a domestic social base.[387] Equally a match for any of Abdullah's boys when it came to his neoliberal fidelities, Fakhouri would prove as faithful,

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[386] Aid collaborated with ASEZA via its Aqaba Technical Assistance Support Program, the Aqaba Zone for Economic Mobility Program, and the Aqaba Community and Economic Development Program.

For more on these foreign entanglements, see: Debruyne, p.177-179.

[387] See: Alissa (2007), pp.13-15.
In a fittingly neoliberal fashion, this *Generation Abdullah* of course presented their divorce from domestic social constituencies as a sign of their strength and credibility—as a self-sufficient demonstration that they were beyond *wasta* and parochial corruption.

tireless, and effective a servant as anyone else during the initial years of ASEZA's transformational project.

From a number of different posts—Fakhouri was named Commissioner for Investment and Economic development upon the formation of the special economic zone before being later appointed as CEO of the aforementioned Aqaba Development Corporation (ADC)—Fakhouri wound up steering many of *al-Mufawwadiyya's* most critical policy decisions.[388] Joining him during these seminal moments was Dr. Bilal al-Bashir. Second only to Fakhouri when it came to influence over the special economic zone's long-term development, Dr. Al-Bashir, who is the brother of ECC member Salah al-Bashir, initially operated from the perch of Commissioner of Environment and Tourism. Later, he took on the posts of Commissioner of Investment, Deputy Chief Commissioner, and Director of the Development Zones Commission, respectively, across the mid to late 2000s. Flanking him and Fakhouri for the majority of these years, moreover, were Dr. Saleem al-Moghrabi, Dr. Kamel Mahadin, and Mohammed Balqar.[389]

Marrying embourgeoised autocracy with Deloitte hackery and USAid-authored notions of development, ASEZA's governance unsurprisingly yielded a number of deeply problematic economic, social, and political outcomes. Amongst these outcomes, one need begin with ASEZA's

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[388] On Fakhouri, see: Schlumberger (2004), p.142; and Kardoosh (2004), pp.33-34.

[389] Careful not to fully upset the political apple cart, it is worth noting that the Palace also saw to it that a number of ideologically agreeable *traditional* elites were appointed to positions of power with ASEZA across the years. The Authority's first Commissioner for customs and revenues, for example, was of the Rifa'i family, one of the old stalwarts of Abdullah's father's autocratic system. Saleh Kilani, a scion of the old elite himself, moreover, was also brought in, first as Commissioner for Fiscal Regulation and Development and later as the Chief Commissioner of the Development Zones Commission (Debruyne, p.175). The economic zone's first investor, meanwhile, was the Jordanian Industrial Estates Corporation (JIEC), a publicly managed entity then run by Amer al-Majali, himself the son of one of the country's senior military families (Ibid)

facilitation (and subsidization) of luxury real estate developments. These developments typically proceeded as follows: advised by the management consultants running the ADC, relevant Commissioners at ASEZA used discretionary authority to evoke immanent domain over critical, legally ambiguous territories. Having seized these lands (in the name of the public interest)—and having displaced the thousands living there—, ASEZA then sells the *emptied* spaces to private developers (at discounted prices).[390] ASEZA subsequently finances the infrastructural outlays that will be required by such developers while also affording all firms operating within the territory of the special economic zone with a constellation of tax breaks, investment incentives, and lax labor regulations.[391]

While these arrangements were nominally conditioned upon the developer's willingness to devote part of the land acquired for industrial investment[392], any such conditions were to prove wholly non-binding in practice. By consequence, apart from the expectation that they offer a few salutary remarks as regards sustainable development, job creation, and technological transfers, developers were free to allocate the entirety of their (subsidized) investment into

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390 For more on these transactions, see Debruyne (2013), p.185

391 See Debruyne, 179-181, for details on ASEZA's leadership.
I will detail the numerous subsidies provided developers—from discounted land sales to tax breaks to ASEZA's covering of key infrastructure to the stock of cheap foreign labor ASEZA provisioned through its work permit policies to the investment capital provided by public credit institutions like the Social Security Investment Fund—in the next chapter. As board members from some of these projects—such as Sahl Dudin of Ayla Oasis—actually sit on the board of the Social Security Investment Fund (and as Muhammed al Zu'bi, another key ally from *Generation Abdullah* actually sits as chairman of the *privatized* Social Security Corporation, I will also detail how injections of public moneys come to be provided any time one of these *private* projects was coming up short in terms of financing as well.

392 Typically, the PR roll-out for these land sales emphasized non-binding commitments calling for 15% of land use to be devoted to industrial projects.

hotels, high rises, and luxury amenities. Functionally speaking, then, the autocratic-technocratic governance of ASEZA reduced to the public subsidization of real estate-based speculation.

Moreover, if the involvement of foreign consultants and technocrats in the autocratic governance just described may have already helped verify the transnational dimensions of Jordan's social structure of accumulation, so too would a review of those benefiting from this governance. Indeed, if one surveys the mega projects consolidated through processes like the one hitherto detailed—projects including Ayla Oasis[393], Tala Bay Resort Complex[394], Marsa Zayed[395], and Saraya Aqaba[396]—, one will see that in each instance, the roster of major equity holders counts as many Gulf-based capitalists as it does Jordanian ones.[397] In many ways, these Abdullah-era joint investments in the built environment actually functioned to crystallize this coming together, or transnationalization, of the capitalist class in Jordan. Facilitating the Gulf's economic colonization of the country at the same time as it secures non-production based profits for privileged domestic elites, this is a transnationalization that is in many ways constitutive of the

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393 Sabih Masri was the founder of the Ayla Oasis Development Company. The Board consists of Khaled Masri (Chairman), Kamil Sadeddin (Board member of another Masri owned, Saudi based company called the Astra Industrial Group), Fouad Tuffaha (also a director at the Astra Group), Sahl Dudin (who is also a board member for the Social Security Investment Fund, an appendage of the SSC), and Shirin Masri.

394 Tala Bay is owned by Jordan Projects for Tourism Development, a company initially funded by USAid. The largest shareholder is Abujaber Brothers Company; the other primary investors are Ohr Investment Holding Company Ltd (based in the British Virgin Islands), Madar Finance and Investments (based in Dubai), the SSC, Orascom, and Faiq al Sayegh.

395 The primary investor in Marsa Zayed was Abu Dhabi based al-Maabar Jordan Real Estate, and the project was more directly implemented by Eagle Hills Jordan, an Abu Dhabi based development company.

396 Arab Bank and Saudi Oger remain the major investors in Saraya. Though Masri is Chairman of Arab Bank, the Saudi Sovereign Wealth Fund and the Hariri family each hold massive stakes in the Bank.

397 In the next chapter, I will also address how ASEZA facilitated the re-exportation of garments into the American market, and thereby how it has also served to benefit capital from south and east Asia.

economy's tendencies towards crisis, as will become clearer and clearer throughout the rest of this text.[398]

Importantly, it is worth noting that the economic colonization that has thereby been encouraged through ASEZA's autocratic-technocratic governance extends well beyond the Gulf's acquisition of equity shares in Aqaba-based golf courses and vacation resorts. This is a

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[398] On the domestic front, Jordan's old money as well as a handful of new actors made out similarly well from these development projects. Amongst that first group, the Masri and Abu Jaber families received the biggest bump from the land speculation facilitated (and subsidized) by ASEZA during these years. For Sabih Masri in particular, his Arab Bank and Zara Investment Holding Company had each acquired vast equity holdings in Ayla Oasis and Saraya Aqaba; as Ayla Oasis alone consists of a Hyatt Regency, a golf course furnished with its own separate accommodations, 279 apartments, and a *retail village* containing sixty-eight boutiques, this equity secures substantial and diverse sources of rent. With a significant stake in Tala Bay, meanwhile, Abujaber Investments and Abujaber Brothers Company's pull the same trick just a few kilometers down the road.

As for the new actors grabbing themselves a piece of the pie in Aqaba, two military entities—Mawared and Al Haqq—and, allegedly, members of the royal family are the most deserving of discussion. I will discuss the former in far greater detail in the chapter that follows this one. By way of introduction, for now I will only say two things: first, that these institutions are representative of an entrepreneurial turn in the Jordanian Armed Forces—a turn that has generated and continues to generate a great deal of consternation within what was previously a steadfast bulwark of Hashemite power. And second, that Mawared, having been granted legal custodianship over all the military's properties and land, has found the kinds of mega real estate development projects described on the previous page particularly conducive to its interests, as it is generally able to leverage its official ownership of public lands (and its control over permitting) into equity in the private hotels, etc., that are subsequently built on those lands. In this manner, MAWARED acquired a stake in Zara Investment Holding Company, for instance, which is itself the primary investor in Ayla Oasis.

Connecting this to the royals, there is widespread speculation that the King himself owns as piece of Mawared's growing investment empire, and that he and his wife are also partner to a handful of other obscure financial institutions—such as Rubicon Group Holdings—that are similarly subscribed to Red Sea-centered real estate speculation (Debruyne, p.184).

Regarding the Gulf-based participants in this palace-sponsored grift, Abu Dhabi's Al-Maabar Jordan Real Estate, Dubai's Eagle Hills Jordan, Dubai's Madar Finance and Investments, and Saad Hariri's Saudi Oger have all secured healthy profits in Aqaba, be it through the equity they held in the area's various properties and projects or through their winning of lucrative, publicly subsidized construction contracts.

While not Gulf-based, it is worth mentioning that the Egyptian development firm Orascom Projects for Touristic Development also got in on the action.

colonization, in fact, that extends into the domain of critical infrastructure as well. Nowhere was this more obviously evinced than in the redevelopment of Aqaba's Port.

Truly one of the more sordid affairs in ASEZA's rather ignominious history[399], the contract for this massive project wound up being awarded to Abu Dhabi's state-owned Al-Maabar International Investments400 on the basis of a Build-Operate-Transfer contract. Having won this contract through a rather opaque and non-competitive process—and having paid the ADC a mere $500 million for the port as well as 3200 dunam of surrounding land, a fee grossly below estimated market value[401]—, the BOT contract signed by the ADC and al-Maabar meant that for all effects and purposes, a privately managed firm closely aligned to the al Nahyan family was to be owner henceforth of one of Jordan's most essential pieces of infrastructure. Problematic as this already was, in addition to selling this public asset to al-Maabar at a steep discount, ASEZA/ADC also agreed to subsidize the redevelopment project in a number of different ways. Beyond investing $200 million of public funding into the redevelopment project without securing a commensurate equity share in the port, subsidization also saw the local authorities agree to compensate al-Maabar for delays and work interruptions to the tune of $548,000 a day.402 Given the extent of to which the redevelopment was ultimately delayed—much of which followed after

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399 As of year 2013, fifty different accusations and/or legal charges of corruption had been filed against ASEZA. See: Pascal Debruyne and Christopher Parker, "Reassembling the political: placing contentious politics in Jordan" in *Contentious Politics in the Middle East.* Palgrave Macmillan (2015), p.450.

400 Al-Maabar has since been bought out by the Dubai-based Eagle Hills LLC.

401 The sale was justified by reference to Jordan's need to make payments on its debts to the Paris Club, which were coming due in 2009.

402 Debruyne and Parker (2015), p.450.

dockworkers launched a protest in response to al-Maabar evicting them from their homes near the Port[403]—, these compensatory payments entailed another significant transfer of public wealth into private (and foreign) hands.404

Transforming the infrastructure and built environment of Aqaba as much as it did the logic of capital accumulation in the country writ large, ASEZA's governance, like the ECC's before it, endows contemporary Jordanian capitalism with many of its most enduring features.

(3) *The Municipality of Greater Amman, the Amman Institute, and the Urban Renewal of the Jordanian Capital*

Before closing on the political institutionalization of neoliberal capitalism in contemporary Jordan, I will turn to examine how Mayor Omar Ma'ani—working in partnership with another management consultant-staffed institution called the *Amman Institute (*Ai)—co-opted and transformed the government of the Municipality of Greater Amman (GAM) so to restructure not only Amman's physical space but also the modality of capital accumulation that defined and sustained it. Further deepening the national economy's dependence upon investments in speculative non-tradables (especially real estate) and precipitating an upward (and outward) redistribution of wealth as well, Ma'ani's tenure as Mayor would represent an extension of the same autocratic-technocratic governance that has pervaded all policymaking

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403 Under al-Maabar's direction, the redevelopment of the Aqaba port would require the mass displacement of port workers and the wider erasure of two residential neighborhoods: Shalahlah and Shmisani (DeBruyne, 191, 196). These displacements, which had already partially begun under al Maabar's Marsa Zayed project, eventually precipitated one of the largest pre-Arab Uprisings protest movements. Despite the impact these protests would have on the Jordanian spring, however, they were not successful in reversing the displacements.

404 In addition to al-Maabar, a Swedish firm later won the contract for the management of the port (De Bruyne, 185).

across the reign of King Abdullah. Yet again exhibiting the rot at the core of Jordanian politics, this third case study can help validate many of my earlier claims on the political institutionalization of the contemporary SSA while also further unveiling the *political* origins of low growth, crisis-oriented capitalism on the east bank too.[405]

__Urban Renewal in Amman__

The topic of urban revitalization was a hot one in many development circles during the first decade of the 2000s. This was all the more so in Amman, where the Jordan Gate disaster of 2006 had invested renewal with a whole new kind of political salience. Gentrification cum urban renewal had key royal sponsors in the persons of Queen Rania and King Abdullah, the backing of the development community (from USAid to Japan's International Cooperation Agency), and significant appeal to Gulf investors still flush with earnings from the pre-financial crisis oil boom. In the person of Omar Ma'ani—whose rise to the mayorship had been secured through Rania's interventions—it also had its policy director.

Omar Ma'ani was appointed to his post as Mayor following the aforementioned Jordan Gate disaster of 2006.[406] Evincing the continuities and commonalities binding each instance in the wider political institutionalization of contemporary Jordanian capitalism, Ma'ani would subsequently use many of the same autocratic-technocratic maneuvers as were practiced by the

[405] As will become clear, Ma'ani's governance yielded major social dislocation at the same time as it further consolidated the developmentally spurious investment strategies first introduced by the ECC and ASEZA, thereby contributing to the entrenchment of crisis conditions and stagnation.

[406] Jordan Gate was a "twin tower" development project primarily financed by Kuwaiti capital. Implemented as a PPP called the Urban Development Project, the towers were built on public land previously designated as a recreational park. Following a massive fire in 2006, the wider urban renewal project then underway came in for inquisition, and much of the leadership of the Municipality of Greater Amman, including the Mayor Nidal Hadid, were dismissed.

For more on this debacle, see: Eliana Abu-Hamdi, "The Jordan Gate Towers of Amman: Surrendering Public Space to Build a Neoliberal Ruin", *International Journal of Islamic Architecture* (5:1), 2016, pp.73-101.

ECC and ASEZA—and employ many of the same personnel—as he swiftly moved to carry out his desired transformation of the Ammani cityscape/social ecology.

In keeping with the autocratic tendencies that have been basic to Abdullah-era governance, the early days of Maani's mayoral career gave witness to a number of efforts designed to institutionally insulate the Mayor's office from both the wider municipal bureaucracy and from the public. Simultaneous to this, this initial period also saw the Mayor and his close allies attempt to retrofit Amman's municipal government for the modern *era* as well. This retrofitting mostly consisted of efforts to *cull* an allegedly bloated bureaucracy so to make it appropriately lean, efficient, and adaptable.[407]

Lest there was any ambiguity on the new Mayor's ideological mores in carrying out this culling, its accompaniment by ceaseless ideological attacks meant to invest the bureaucracy with ontological corruption as well as tribalist and traditionalist tendencies would bring Ma'ani et al.'s neoliberal affinities into rather stark relief.[408] Having made enemies of his Jordanian employees through these actions, Ma'ani, like his counterparts at ASEZA, would in turn come to rely upon

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[407] This culling contained a number of absurdities, the most obvious of which was that it was highly paid foreign consultants like Gerry Post and the Watson and White Company who were frequently enlisted in making these accusations of bloatedness. Given that Post was personally accepting a monthly fee of JD 20,000 for his services and that the Watson and White Company commanded a similarly significant retainer, their articulation of necessitarian arguments in favor of fiscal consolidation and mass lay-offs was more than a bit rich.

For more on Ma'ani's reorganization of GAM, see De Bruyne (2013), pp.239-241.

On Ma'ani's more general transformation (and privatization) of governance, see: Christopher Parker, "Tunnel-bypasses and minarets of capitalism: Amman as neoliberal assemblage", *Political Geography (*28), 2009, p.116-117.

[408] On these ideological attacks on tribes (and on the particular utility of the anti-tribalism/traditionalism charge), see: Eliana Abu-Hamdi, "Bureaucraticizing the City: Moderated Tribalism, Regime Security, and Urban Transformation in Amman, Jordan", *Traditional Dwellings and Settlements Review* (27:2), 2016, pp.23-37.

upon a braintrust comprised of USAid technocrats[409] and trusted foreign management consultants across his tenure as Mayor.[410]

These foreign allies were typically housed at a newly formed "think and do tank" called the Amman Institute (Ai). Functioning in a manner similar to the Aqaba Development Corporation, Ai was enlisted by Ma'ani as a de facto planning body—an autonomous, unelected, foreign-staffed organization unilaterally empowered by the Mayor so to design the massive urban renewal projects that would subsequently the social and economic foundations of Jordan's capital city. Personally stewarded by Gerry Post[411]—who collected a monthly salary of JD 20,000 for his troubles—, Ai's planning would quickly evince the same class-bias and recklessness as was seen with the ADC in Aqaba. In combination with Ma'ani's autocratic governance, this would be sufficient to ensure that Amman's urban renewal generated profound levels of social dislocation, gentrification, and capitalist rent seeking.[412]

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409 The Watson and White Company, one of the consultancies brought into to advise Ma'ani on this culling, made the case for mass lay-offs by asserting that GAM's bureaucracy needed to "go on a diet" (Parker and De Bruyne, 2015, p.442).

410 USAid's SABEQ program—Sustainable Achievement of Business Expansion and Quality—, footed the bill for many of these foreign consultants, allowing Ma'ani to bring in Gerry Post's Bearing Point Inc. as well as the Watson and White Company.

411 Post's Ai had a few Jordanian staff amongst its number, including Tamam Mango. Heir to a quota coterie myself, Mango, who later received his PhD at UNI, represents the kind of *comprador consultant* that is not uncommon in Jordan's development spaces. After serving as one of Post's chief lieutenants, Mango would move over to the Crown Prince Foundation, where he is currently employed as CEO.

412 For an excellent review of this general phenomenon, see: Najib Hourani, "Neoliberal urbanism and the Arab uprisings: a view from Amman", *Journal of Urban Affairs* (36:S2), 2014, pp.650-662.

Proceeding sequentially, by consequence of the Mayor's weaponization of takseem related provisions within the Municipality of Greater Amman's Law of Expropriation[413]—as well as his unilateral rewriting of zoning laws and a policy of evicting long-term though non-permitted housing communities[414]—, renewal expelled thousands of lower class people from the homes and neighborhoods that had anchored their families across generations. Through these means, the Sanaaya Amman[415] development project alone displaced roughly 5,000 people lower income people from the Qaisiyya neighborhood.[416] In making space for the city's massive *new* Abdali construction project, the people of the neighboring al Za'amta neighborhood were similarly *removed* by the unilateral decrees of Ma'ani's mayoral office.[417]

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[413] This Takseem system was used in instances of multi-ownership properties (i.e. properties inherited by more than one family member). Facilitating new developments, it effectively allowed for the dissolution of existing property claims under the auspices that the GAM's would subsequently provide an equivalent property in a different area (Debruyne 2013, p.312)

[414] In other words, these were communities that had built permanent homes in the 1960s and 1970s without establishing proper legal tenure over the land. See Debruyne (2013), p.260, for details.

[415] The *Sanaaya Amman* project—a luxury tower construction project financed by Limitless, a Dubai-based firm—was actually postponed post-the displacement of these people after finances dried up in 2009. It is based in the Abdun neighborhood of Amman.

[416] The majority of the evicted were Hebronite refugees (or the descendants of refugees) of *al naksa*. Lacking appropriate land and property titles, few amongst this community has received any compensation from GAM; for those that did, moreover, the rate was set based on land valuations from the 1960s. Through these cynical legal manipulations, Ma'ani's government was able to seize their land at one-sixth to one- eighth its market price (Debruyne, 2013, p.312).

[417] Also contributing to this *making* of space was the Mayor's office's redrawing of Amman's public transportation infrastructure. Routes and hubs (including the Abdali station) were simply relocated without any regard for those to be effected.
Prior to the New Abdali project, Abdali had been home to one of the largest low-income markets and the central busing node of West Amman. Having rather farcically charged that the market was the distributional nexus for drug traffickers, Ma'ani et al unilaterally closed it while relocating the bus terminal to Tarbarbour, a neighborhood in the remote north-east of the city.
For more on this, see: Doris Summer, "The neoliberalization of urban space", *Villes et Terrirtoires du Moyen-Orient* (2006)
Najib Hourani, "Urbanism and Neoliberal order: the development and redevelopment of Amman," *Journal of Urban Affairs* (26:S2), pp.634-649

If expulsions of these sorts expedited gentrification efforts through *clearing the land,* the renewal initiatives subsequently implemented (including the aforementioned Sanaaya Amman and new Abdali projects) finished the job. Constructing monuments to luxury consumerism atop the graveyards of lower class communities, chic apartments, hotels, office buildings, shopping malls, and high-end restaurants have been erected where intergenerational communities once made their homes. Like was seen in the transformation of Aqaba's built environment, then, each of the development projects introduced in Amman implied an explicit servicing of the rich as much as an erasure of the poor; each project, in other words, evinced the abiding logic of accumulation through dispossession.[418] This was so even when initial project plans may have included some provisions for developmentally-oriented, publicly-minded investment. For instance, the original proposal for the aforementioned redevelopment of *new Abdali* had envisioned a multiuse urban district containing medical facilities, IT firms, a King Hussein Memorial Library, and a campus for a new American University of Jordan. As the years passed and the scaffolding went up, however, what ended up being constructed was a shiny new financial sector moonlighting as a hub for bourgeois recreation.

As for the particulars of the capitalist rent/profit seeking that is at the heart of this all, to the extent that Ma'ani's urban renewal was guided by the same foreign management consultants as had presided over Fakhouri's efforts in Aqaba, it should be no shock to the reader that the

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[418] It is worth noting that one of Ma'ani et al.'s gentrification plans did fail. Specifically, as part of plans to *renew* the old downtown of Amman, the Mayor's office attempted to abolish rent controls so to price out the old souq merchants that had populated the storefronts of the area for generations Ultimately, the resistance of old souq merchants and the remarkable, cross-class mobilization that rose up around them was partially successful in reversing Ma'ani and Ai's rent-control policies. See: Parker and Debruyne (2015), pp.442-445.

same mix of (transnational) regime clients and patrons who were privileged on Jordan's southern coast were also privileged during Amman's reconstruction. In the *New Abdali* redevelopment, for instance, the Mayor et al made certain that Gulf capital, domestic financial capital, and the emergent institutions of military entrepreneurialism—institutions that also enriched themselves in Aqaba—each secured a healthy return on investment.[419] In organizing a public-private partnership charged with building "affordable housing" on the capital's periphery, Ma'ani and Ai later allowed a Dubai-based Jordanian businessman with close ties to the royal family (Khalid al-Wazani) to embezzle millions of dinar from the public coffers as well.[420] And in more generally

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419 Firstly and of great importance, New Abdali was to be (largely) built on a former military barracks. By virtue of this fact, the same Mawared that had managed to insinuate itself into many of Aqaba's real estate dealings found itself perfectly positioned to extract rents from Amman's reconstruction as well. Leveraging its nominal ownership of these public lands and its fifty percent share in a newly established Abdali Investment and Development Corporation—a private sharing holding company created by Mawared so to direct the construction effort—, this entrepreneurial wing of the military, on whose board Mayor Omar Ma'ani and King Abdullah just so happened to sit, may have even made out better in Amman than it did in Aqaba (Parker and De Bruyne, 444). What is more, just as Saudi Oger had been one of Mawared's chief partners in the construction racket down south, here too were they joined by a local subsidiary of that firm, Oger Jordan. With Arab Bank again in tow (securing a share for Jordanian finance) as well and with the United Real Estate Company, an investment arm of the Kuwait Projects Company, also acquiring a minority stake in the Abdali Investment and Development Corporation, one might say the whole band was back together. When it came to Gulf petrodollar recycling and elite rent distribution, then, Abdali was every bit the match for Aqaba.

See www.abdali.jo for more information on the Abdali Investment and Development Corporation.

420 Specifically, this public-private partnership was contracted to construct 15,000 units of affordable housing in al-Jiza, an emergent "rural ghetto" located near the Queen Alia Airport. PPP public housing projects more generally began following the launch of the Royal Initiative for Decent Housing in 2011. Within this particular partnership, Khalid al-Wazani's Taamer Jordan Holdings had been paired with the Housing Urban Development Company, an entity created in 1992 and henceforth assigned primary responsibility for handling and financing the government's social housing policies. The long and short of the PPP was that Khalid al-Wazani illicitly pocketed such massive amounts of the public money that had been allotted for the construction of houses that state prosecutors were forced to open a case against him (Debruyne, p.293).

As al-Wazani was a long-time adviser to the Royal Court, a man with close relations to the UAE's royals—he is currently the "Strategy and Knowledge Advisor" a the Mohammad bin Rashid al Maktoum Knowledge Foundation—, the former CEO of the Saraya Aqaba Real Estate Company, and the current Chairman of Arab Bank-Syria, his person encapsulates the nature and consequence of *Generation Abdullah's* technocratic autocracy better than any other.

ensuring the opacity of procurement processes, providing public subsidies for the construction firms building the city's new skyline[421], and guaranteeing capital's wider access to cheap foreign labor, this leadership made certain that the wider real estate-facing business climate was as conducive to elite profit seeking as possible.

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The rampant corruption (and the form of capital accumulation) that was overseen by Ma'ani and Ai did eventually come to a rather ignominious end. The spotlight of the Arab uprisings illuminated many of this policy team's more gratuitous depravities; by consequence, Omar Ma'ani wound up briefly arrested and Gerry Post was eventually sent packing.

It should nevertheless come as little surprise that Ma'ani's fall from grace as Mayor would not imply a substantive change to the larger processes of power and accumulation that he had previously stewarded—whether in Amman or nationally. Replacing him as Mayor, after all, was another dutiful subject of Generation Abdullah, Aqel Biltaji, who was serving as Chief Commissioner of ASEZA at the time of his new appointment. Under Biltaji, collaborative predation in speculative non-tradables was to remain the modus operandi of governance, and the

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In some ways, this affordable housing initiative represented the back-end of a gentrification project that had begun with the kinds of displacements I described in Qaisiyya and Za'amta. Having already profited off the developments that were built where those communities once lived, the same construction firms would then profit again through building the new affordable housing units that those dispossessed communities would now be forced to live in out on the periphery of the capital

421 Profits were state-subsidized through extensive tax breaks, through the GAM financing much of the infrastructure (and road construction in particular) that would link new Abdali to the rest of Amman and through the Social Security Corporation consistently providing the Abdali Investment and Development Corporation with critical injections of capital whenever there were shortfalls in liquidity. See De Bruyne pp.246-256, 321.

public was to continue to subsidize elite profits through a number of different mechanisms, as I will discuss at length in the next chapter.

Even for Ma'ani, the dark days proved gratefully fleeting. After but a few years on the backfoot, he would experience Lazarus-style rebirth, a rebirth consummated upon the former Mayor's appointment to the Senate and to the board of the Crown Prince Foundation in 2016. His political rehabilitation suggests the halflife of the neoliberal policymaker in Jordan may prove long indeed—regardless of the wreckage they leave behind. And should the grift of Abdullah's economized political elite need any further evidence, it is worth noting that the Ma'ani has been allowed to retain his post as CEO of Maani Ventures throughout his tenure as Senator—and that Ma'ani Ventures has managed to consistently procure lucrative public infrastructure contracts.[422]

Conclusion

Operating through a series of insulated and autonomous policymaking institutions—institutions that allowed Abdullah et al to bypass the demos, the parliament, and the traditional machinery of the state—, the King's economized political elite were able to restructure each and every pillar of the national economy, from trade and investment policy to tax and industrial policy. As the examples of ASEZA and Ma'ani's GAM evince, this elite was also able to embourgeoise Jordan's physical spaces through gentrifying urban renewal projects. In thusly rewiring the circuits of capital accumulation, transnationalizing the capitalist class, and

422 For more on his business dealings, see: www.maani.com

deepening the Jordanian economy's dependence on the built environment, the autocratic-technocratic governance detailed in this chapter very much instituted the architecture of the country's contemporary capitalism.

If my analysis was successful in establishing the veracity of the claims articulated above, I hope it has been successful in conveying two further points to the reader as well. First, by deconstructing the properties and outputs of the country's autocratic-technocratic modality of governance, it is my hope that my analysis has also afforded insights into the dualistic nature of a social structure of accumulation that is at once crisis producing and crisis stabilizing. On the one hand, I have shown that this modality of governance—as well as the insulation of an economized political elite—functions to expedite and streamline a very particular restructuring of the economy. As this restructuring delivers profits and rents to a constellation of influential transnational allies, it simultaneously stakes such high leverage individuals and institutions in the survival of the Jordanian political economy. In view of the material resources (financially or otherwise) that are at the disposal of these individuals and institutions, I would contend that the distributive effects yielded by this governance cannot help but to stabilize Jordanian capitalism.

And yet, I have shown that the same distributive effects inevitably exert a countervailing effect as well. The costs of generating and allocating profits in this manner—of stabillizing capitalism in this manner—, are, after all, significant. To begin, the elite-accruing system of accumulation through dispossession that is institutionalized through this modality of governance implies low aggregate growth, exploitation, and consistent social dislocation. By articulating the preconditions of unrest to this extent, such governance necessarily increases the probability of disruption and anti-system mobilization. These probabilities are only increased, moreover, by the *process* effects of this modality of governance. While autocratic-technocratic decision-making may be conducive to fast policy change, it is profoundly alienating as well. By empowering non-nationals while marginalizing and deactivating the demos and the state bureaucracy alike, in fact, this is a process bound to engender substantive levels of disaffection and anger amongst a number of critical social forces. As the same input—autocratic-technocratic governance—can thereby be demonstrated to be driving and containing crisis, I hope this chapter may have rendered the paradox of Jordan's capitalism a little less paradoxical.

Second, by tracing how the *political* pervades everything from intracapital relations and the form of market competition to social control and the external articulation of the Jordanian economy, it is my hope that the co-constitutive, interpenetrating, and integrated nature of Jordan's *neoliberal* social structure of accumulation has also come better into focus. As I turn to chapter seven and an examination of the state/palace role in the contemporary economy, I intend to drive this point home even further.

CHAPTER SEVEN

The making and management of the market: The state/palace *in* the economy

This chapter will trace how the state's role in the economy has shifted since the passing of King Hussein. In the pages that follow, I will demonstrate that Abdullah's neoliberal guidance has not orchestrated the withdrawal of the state from the economy, but rather, a series of changes to how the benefits generated by state intervention are distributed. Having detailed how said benefits now accrue into fewer (and often non-Jordanian) hands than was previously the case—and having explained how the state's mix of market making and market meddling expedites short-term, developmentally spurious forms of profit seeking—, the relation between contemporary state interventionism and Jordan's capitalism of crisis will be easily discerned.

I will break this analysis into two subsections. The first will focus in on what I previously conceptualized as the state's *mass-oriented* interventions. Herein, I will foreground the role that (retreating) welfarism have played in stabilizing capital accumulation (and in destabilizing middle and working class life) during the tenure of Abdullah.[423] Within this wider line of welfarist inquiry, I will also take heed to emphasize the generational effects that *relative* declines in public

[423] Specifically, I will consider the social and economic effects generated through public health expenditures, the cancelation of universal subsidies, and the state's privileging of targeted transfers in its poverty alleviation operations. In addition, I will examine how a more generalizable decline in the quality of public service provisions has stressed middle and lower class families—forcing them to borrow and spend greater sums on health and education—, and how these stressors relate to social instability.

sector hiring have had over the last twenty years—evincing the extent to which the *social* impact of direct state employment has declined under the current King.[424]

The second subsection will narrow in on what I previously conceptualized as the state's *elite-oriented* interventions. Herein, I will begin with an analysis of the fiscal sociology that has been consolidated under Abdullah's watch. At the aggregate level, I will show this sociology to be class-biased and highly polarized.[425] Henceforth, I will proceed to consider six additional mechanisms of elite-oriented intervention: (1) privatization; (2) the manipulation of current account liberalization; (3) the instrumentalization of public credit institutions for the purposes of boosting elite-owned enterprises; (4) real-estate oriented industrial/investment policies[426]; (5) laissez-faire industrial policies [as implemented across Jordan's Qualifying Industrial Zones (QIZ), Special Economic Zones (SEZ), and Special Development Zones (SDZ)]; and (6) *military* industrial policies. [427]

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424 In addition, I will also show that public sector hiring today remains detached from considerations of merit; this being the case, I will also document the extent to which this area of public expenditures is compromised by much the same issues as were seen during Hussein's post-1973 years.

425 By polarizing, I primarily mean that this fiscal sociology functions to deliver *upward* and *outward* redistributions of wealth at the same time as it punishes lower and middle class families. I will establish this claim through examining the distributive effects introduced by the VAT, the regime's de facto neglect of corporate and income tax, the tax breaks provided across Jordan's many special economic and development zones, the pervasiveness of tax evasion, and the issuing of domestic bonds to licensed commercial banks alone.

426 Like those that were introduced in Aqaba and Amman (as was discussed in the previous chapter).

427 Herein, I will scrutinize Mawared—the organization introduced in my discussions of ASEZA and the GAM— as well as the King Abdullah II Design and Development Bureau (KADDB).

Mass-Oriented State Interventions: Employment, Health, Social Welfare

As was the case under King Hussein, King Abdullah's mass-oriented interventions in the economy starts with public employment. From civil service and military hiring at the national level to the staffing of municipal governments at the local level, the state's *direct* job creation continues to secure a level of basic welfare for hundreds of thousands of Jordanian families if no longer affording such families with the middle class comforts that it once did.[428] Through such means, Abdullah has kept the percentage of public employment to total employment relatively steady (and relatively high). In moments of political crisis, moreover, Abdullah, like his father before him, has tended to increase this percentage in hopes of ameliorating public grievance. Spikes in the percentage of public employment to total employment coinciding with the global financial crisis of 2007-2009 and the Arab Uprisings of 2011 give testament to such continuities.

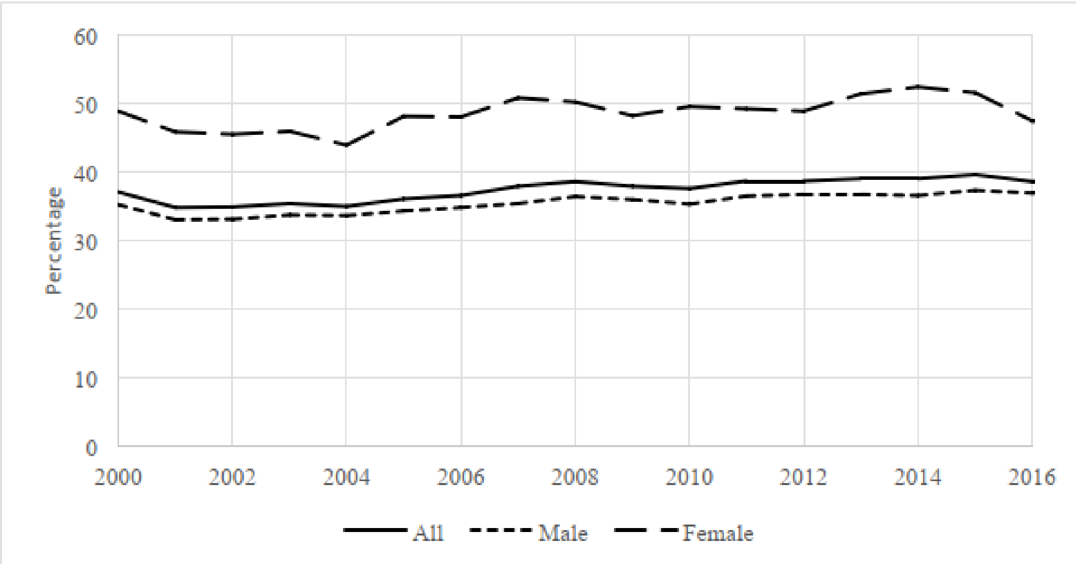
[428] *Public employment* can also be used to service elite clients. For instance, the Palace uses appointments to the Senate/senior ministerial positions, jobs at the Royal Court or with the Royal NGOs; and positions with nominally autonomous, palace-aligned institutions such as Mawared, the KADDB, ASEZA, the Social Security Corporation, and the Jordanian Investment Commission to look after the politically connected elite.

Hussein's Neopatrimonialism

As was detailed in chapter three, the *embedded* neopatrimonialism established by Hussein had required and expanded the apparatus of the state so to assure a wide distribution of rents and services. Particularly in the post-1973 context, I delineated that despite undermining the long-term development of the economy through the inefficiencies and consumption-oriented bias of his interventions, Hussein's policies were socially successful in that they insured a wide distribution of patronage. Through a regime of universal consumer subsidies and price fixing overseen by the Ministry of Supply, through the subsidization of industrial inputs, through a civil service and military that secured the welfare of hundreds of thousands of Transjordanians, through the instrumentalization of nominally independent, state-owned credit institutions and pension investment funds, and through a series of labor migration arrangements that secured livelihoods and prosperity for hundreds of thousands of ethnic Palestinians who had to a large extent been locked out of the bureaucracy, Hussein's neopatrimonialism consolidated a robust if dependent middle class.

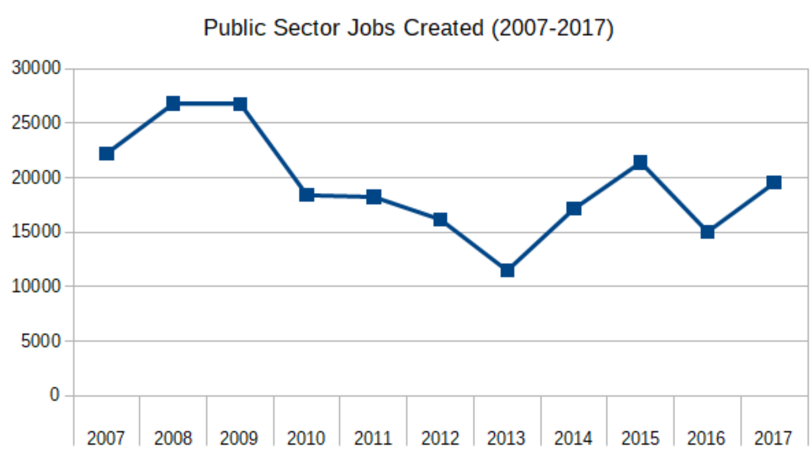
This neopatrimonialism would eventually come undone by the total disarticulation of consumption from productivity—an outcome that was itself a function of an emergent form of rentierism that saw the state-business partnership bias the economy towards imports, consumption, services, and commerce-based arbitrage—, but its distributive strategy was nonetheless effective in stabilizing the larger political economy for a period of approximately ten to fifteen years.

Share of Public Sector in Total Employment Under King Abdullah (Ages 15+)



Data provided by the Department of Statistics.

Graph provided by Ragui Assad and Colette Salemi, *The Structure of Employment and Job Creation in Jordan: 2010-2016,* p.25



Data provided Jordan's Department of Statistics

A couple points are worth noting as regards the graphs on the previous page, however. First, while a longitudinal comparison of public employment to total employment ratios suggests an equivalence between the era's of Adullah and Hussein, such a suggestion would be misleading.

This is because Abdullah-era ratios are inflated by relatively smaller denominators (i.e. by the modern period's comparatively smaller total employment to working age population ratios). In other words, Abdullah-era ratios of public employment to total employment are juiced by a generalized decline in employment writ large (and in labor force participation more generally). If one were to account for this and take a more reflective measure as the basis for a longitudinal comparison—say, public employment to total population ratios, or annual public sector jobs created v. job seekers—, it would become clear that the *relative* social weight of public employment has actually receded considerably under the rule of the current monarch. To the extent that public employment is now securing a lesser proportion of Jordanian families against the whims of the (failing) labor market, then, one would need to acknowledge that the effectiveness of this aspect of the state's mass-oriented economic interventions has depreciated.[429]

This depreciation is perhaps more easily discerned through an examination of the Jordanian civil service's recruitment and hiring numbers during Abdullah's tenure.[430] Between

[429] If the *social* relevance of public employment has clearly been diminished under the current regime, it is worth noting that the developmental impact of public employment has also been fairly marginal. This marginality is a function of the fact that Abdullah's public sector hiring has always been conducted without consideration of merit (as college graduates' hiring rates may have suggested). Bloated, inefficient, and contributing very little in terms of development planning, industrial planning, and administration, the public sector's economic utility therefore continues to reduce to the contributions that it makes to lower and middle class consumption. This all being the case, one should be careful not to overstate the effect that this aspect of the state's interventionism has had on the stabilization of contemporary capital accumulation.

See: Benedicte Coestier, "Jordan and the Middle-Income Growth Trap: Arab Springs and Institutional Changes", Working Paper: Universite Paris Ouest, Nanterre La Defense (2015), p.12.

[430] The number of people applying for jobs with the civil service first spiked with the first return migration of Jordanians from the Gulf in 1990-1991. That said, the applicant pool has truly exploded during Abdullah's tenure.

2014 and 2018, the civil service never once received less than 300,000 annual applications. Across those same years, the civil service never once hired more than 10,332 applicants in a single year.[431] If job prospects for any applicant to the civil service are therefore highly dubious, it is worth noting that the odds facing a college graduate are even longer. While the aggregate appointment per applicant rate hovers between 2-3% depending on the year, the appointment per applicant rate for college graduates rests between 1.3-2.2% for the 2014-2018 period.[432]

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431 During one of the years under question, it hired a mere 7,772.

432 This is in stark contrast to the trends that prevailed under Hussein. In those years, college graduates were virtually guaranteed a permanent, well compensated job in the public sector.
See: Karen Pfeifer, "Social Structure of Accumulation Theory for the Arab World: The Economies of Egypt, Jordan, and Kuwait in the Regional System" in Terrence McDonough, Michael Reich, and David Kotz (eds.) *Contemporary Capitalism and its Crises: Social Structure of Accumulation Theory for the 21st Century,* pp.309-353).

Applicants and Appointees to the Jordanian Civil Service (1990-2017)[433]

Year	Total Applicants	Total Appointees	Applicants with high school degree	Appointees with high school degree	Applicants with college degree	Appointees with a college degree
1990	41627	2065	11283	1199	30344	866
1991	58072	3899	17303	2411	40769	1488
1992	77625	7267	25013	4343	52612	2924
1993	84093	7467	27028	4435	57065	3032
1994	95407	7351	32491	5522	62916	1829
1995	106661	5126	38276	3863	68385	1263
1996	117675	5393	43924	3924	73751	1469
1997	118307	2596	44309	2128	73998	468
1998						
1999	68794	5356	33755	4982	35039	374
2000	100341	7578	49856	6733	50485	845
2001	117866	7116	59163	5318	58320	1798
2002	135339	6200	72671	5132	62668	1068
2003	159298	7558	91379	5689	67919	1869
2004	127473	8986	81015	6891	46458	2095
2005	150272	12188	99531	9215	50741	2973
2006	170383	11341	116980	9930	53407	1411
2007	178059	11105	123963	9031	54069	2074
2008	191475	10024	135712	7972	55763	2052
2009	203476	10666	146478	8381	56998	2285
2010	218884	8965	160950	6770	57934	2195
2011	264303	10670	195197	7824	69106	2846
2012	276648	6430	206973	5006	69495	1424
2013	293642	11170	221715	9462	71927	1708
2014	301241	7880	230958	5774	70283	2106
2015	318693	7722	247115	6565	71578	1157
2016	334301	10332	264336	8322	69965	2010
2017	361621	8121	293224	6496	68397	2011

433 Data provided the Bureau of the Jordanian Civil Service

Social Welfare

Social welfare operations constitute the second pillar of the state's mass oriented interventions in the economy. For clarity's sake, I have grouped poverty alleviation programs, public education programs, and healthcare programs under this category of state intervention.

At the macro level, one must begin here by acknowledging that the universalism previously anchoring welfare in Jordan has been largely discarded under Abdullah.[434] Hastening the state's generalized retreat from the social domain, welfare is now primarily oriented according to the logic of means-testing, Evidence of this is the replacement of the state's subsidization of consumer goods[435]—as well as the Ministry of Supply that once managed its administration—with a poverty alleviation program premised on targeted cash transfers.[436]

Cash transfers are administered by the National Aid Fund (NAF), which is a branch of the Ministry of Social Development. Unsurprising, perhaps, for those acquainted with the global reputation of transfer-based poverty alleviation programs, the NAF's efforts have proven woefully inadequate on a number of different levels. First, the criteria determining whether an applicant is eligible to receive such aid are unduly discriminatory and austere. So to fulfill a mandate dictating

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[434] As was covered in previous chapters, the welfarism of Abdullah's predecessor had been grounded in universalist principles. One manifestation of these principles was the state's subsidization of basic household goods, which had served as one of the primary mechanism through which the state could both support middle class consumption, ensure the basic needs of impoverished communities, and facilitate profit-seeking amongst politically connected merchant elites.

[435] The final relic of the old system, the bread subsidy, was withdrawn in 2018.

[436] The state has also worked to *teach* the poor to fish through supporting their household businesses. Therein, governments have relied upon microfinance styled operations, MSME-related initiatives, and vocational training projects.

that only the *truly* needy receive state support, all but the elderly, the physical disabled (i.e. those physically unable to work), the families of orphans, and single parent, female-led households are excluded from the NAF's remit. What is worse, the Fund also stipulates unemployment as an eligibility requirement.[437] Given that a majority of the Jordanian labor force earns wages at or barely above the poverty line, the unemployment-based conditionality of the NAF's assistance is highly consequential. When one also considers how paltry the sums are that the NAF actually does dole out[438] and the fact that bureaucratic failures—i.e. the ability to locate and register households and individuals across Jordan's urban and rural geographies—inevitably leads to hundreds of thousands of eligible candidates *slipping* through the administrative cracks, the shortcomings of targeting become even more pronounced.

An empirical demonstration may better illuminate the inadequacies of the state's current poverty alleviation efforts (and evince yet another depreciation in the state's mass-oriented interventionism). Accepting extremely conservative national poverty line calculations—and, for the moment, ignoring how the formula behind these calculations structurally deflate poverty figures[439]—, it can be estimated that somewhere between 14-15% of the Jordanian population

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437 Even in the case of unemployment, moreover, it also makes access to aid conditional on an individual's enrollment in various vocational training programs.

438 According to the NAF's internal documents and annual reports, total cash dispensed in 2018 totaled 80,052,833 JD. That works out to roughly 1094 JD of income support per family, or roughly 91 JD in state assistance per month. These amounts are nowhere near sufficient for helping a family cope with Jordan's ever accelerating costs of living. As the temporary cash aid distributed by the NAF reached only 17 million JD during that same year, moreover, the utter inadequacy of that part of the social safety net that is meant to help those at the very bottom comes into starker relief.

439 In Jordan's case, such methods led the Department of Statistics to posit a national poverty line of 813 JD per individual as of their most recent calculations (2010).

lives in what would be deemed permanent poverty. This percentage translates into roughly 1.5 million people. When one adds the transiently poor to this figure[440], the number of aggregate impoverished Jordanians jumps closer to 3.5 million people, or roughly 33% of the total population.[441] By consequence of targeting's fastidious rationalities, however, only 73,162 families (a figure translating to 243,054 individuals) received cash aid from the NAF in 2018.[442] A simple subtraction operation reveals that *targeting* thereby leaves roughly 3.2 million poor people outside the remit of state support. Even accounting for the Syrian refugee population, it is clear that the NAF's *targeted* poverty alleviation mechanisms are, therefore, quite literally leaving millions of Jordan's poor without access to any cash assistance.

If welfarist efforts in poverty alleviation have underwhelmed, so too have efforts in public education. Across Abdullah's tenure, the government has spent roughly 3.5-3.8% of GDP on public education.[443] That level of expenditures is quite low relative to the expenditures of other lower-middle income countries[444], and goes a long way towards explaining Jordanian students' well-documented declines in testing performance during the post-2000 period.[445] What is more,

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440 By transiently poor, I mean those individuals living beneath the poverty line for at least one quarter of the year.

441 Omar Obeidat, "Third of Jordan's population lives below poverty line at some point of one year—study", *Jordan Times* (July 2, 2014).

442 This data can be accessed at: http://www.naf.gov.jo/naf_sum_years

443 Data provided by World Bank.

444 OECD countries averaged 12.6% GDP between 2014-2017.
See: Jordan Strategy Forum, *Jordan on the Global Talent Competitiveness Index 2018*

445 For educational decline, see: Khaled Abu Tayeh, Mohammad Al-Rsa'i, and Mohammad al-Shugairat, "The reasons for the decline of the results of Jordanian students in 'TIMSS' 2015", *International Journal of Instruction* (11:2), 2017, pp.325-338

the declining quality of public education is also forcing middle and lower class families to spend increasing percentages of their household budget on private tutoring/educational services.[446] Evidence of this, survey data from 2017 showed that mean household spending on education had reached 578.8 JD per year, up more than 140 JD (or roughly 25%) from just four years prior. Relative to the median wage[447], these outlays constitute a sizable portion of a household's expendable income. The state's tacit divestment from public education, then, belies a decline in quality of life for millions of Jordanians, and is critical—both in the short and long-term—to the country's strange capitalism of crisis.

Before closing on welfare and mass-oriented interventions more generally, I should acknowledged that the state's efforts in the domain of healthcare have proven somewhat more earnest. At the aggregate level, the government's share of total healthcare expenditures reached as high as 67% in 2009 before declining back to 57% as of 2015. Even accounting for this more recent ebbing, that 57% still represents an increase of roughly 25% as compares to a baseline of the year 2000.[448] While exact numbers on the allocation of these public expenditures are difficult to come by, significant portions are devoted towards providing free health services at public

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It should be acknowledged that this decline has been partially catalyzed by the massive population expansion Jordan has experienced over the previous twenty years.

446 Economists at the World Bank have documented this phenomenon. See: Elena Ianchovichina, *Eruptions of Popular Anger: The Economics of the Arab Spring and its Aftermath,* World Bank (2018).

447 As of 2016, the median wage in Jordan was 370 JD. The median wage in the private sector, however, was only 300 JD that same year.

448 The public share of health expenditures in 2000 was just 44.9% (World Bank Helath Nutrition, Population statistics).

facilities for those citizens below the age of six or above the age of sixty.[449] In addition, for those citizens that are aged out of those privileged categories, it is also possible to petition either the Ministry of Health or the Royal Court should one need help covering the costs of a procedure or treatment. Though there are many problems with such a discretionary, *charitable* form of intervention[450], the impact of this petitioning system is still significant: in 2013, the Royal Court alone distributed 800$ million through these channels.[451]

The many merits of the state's health related interventions not withstanding, they are not without their shortcomings. To begin, due to the underdevelopment of the private insurance market, out of pocket health expenditures as a percentage of total health expenditures remains significant (28% as of 2016).[452] Despite the state's significant investments in this sector of the economy, then, households are still having to devote a sizable portion of expendable income towards paying for health services. Furthermore, by virtue of the fact that the price of health services increase faster than wages do, the relative amount of household income being allocated to health services is growing over time. Survey data gathered by the Department of Statistics, for instance, shows that average household expenditures on medical care has actually more than doubled between 2013 and 2017 alone.[453]

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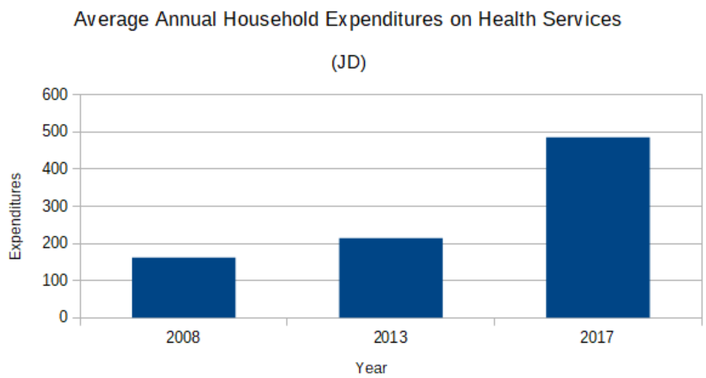
[449] Yazan Doughan, "Corruption in the Middle East and the Limits of Conventional Approaches, *GIGA Focus Middle East* (5), 2017, p.7

[450] Beyond inevitably excluding many of the needy, this system also rather cynically allows the Palace to play the role of benign, magnanimous savior in providing a service that should have been provided without any need for such a personalist intervention.

[451] Doughan (2017), p.8

[452] Data provided by the World Health Organization's Global Health Expenditure Database.

[453] Department of Statistics Household Expenditure and Income Survey 2008, p.137



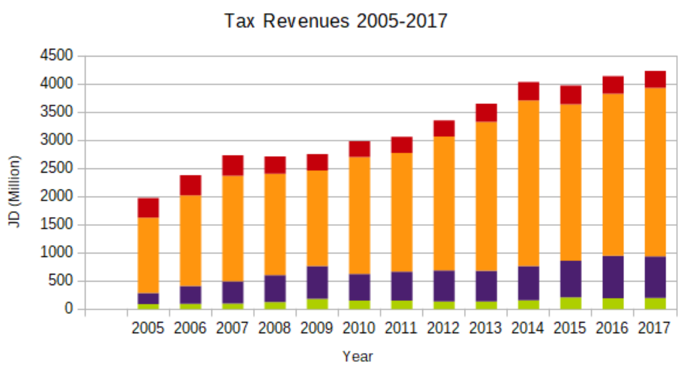
In total, then, while the state's mass-oriented interventions do contribute to the social embedding of Jordanian capitalism, they are not of the scale necessary to truly secure the livelihoods and welfare of Jordan's middle and lower classes. Though these interventions may help partially stabilize the accumulation process, then, they do so while also reproducing the kinds of social precarity that invest Jordanian capitalism with its underlying fragility and crisis-oriented nature. The same can be said of the state's elite-oriented interventions. Though securing profits for a certain fraction of the capitalist class, they will be shown to have incentivized and facilitated behaviors that are developmentally destructive in the long-term, further consolidating the crisis tendencies of the economy.

Elite-Oriented Interventions in the Economy

(1) *Hashemite Fiscal Sociology: Revenue Generation and Public Expenditures under Abdullah*

Department of Statistics Household Expenditures and Income Survey 2013, Table 4.24
Department of Statistics Household Expenditures and Income Survey 2017, Table 4.6
In 2013, the average was 214.6 JD; as of 2017, it was 486 JD.

Jordan's fiscal sociology has shifted considerably under the direction of King Abdullah. The stark class biases it now evinces derive from many sources, chief amongst them the revenue strategy adopted under the current regime's watch. To begin, this strategy leans heavily upon regressive, downwardly punitive taxes on consumption.[454] Such taxes have constituted roughly 65-75% of total annual tax revenue and made up 36-48% of the government's total annual revenues throughout the tenure of the current King.[455]



Red: Taxes on International Trade and Transactions
Orange: General Taxes on goods and services
Purple:Taxes on corporate income, profits, and capital gains
Green: Taxes on individual income, profits, and capital gains

454 Tax revenues have constituted between 55-66% total government revenues between 2005 and 2017. The government's other major revenue streams include foreign grants, property income revenue, revenue from sales of goods and services, revenue from fines and penalties, and revenues from miscellaneous transfers.

455 Data for graphs provided by the International Monetary Fund.

The Value-Added Tax (VAT) in Abdullah's Jordan

Regarding the details of Abdullah-era taxes on consumption, it should first be acknowledged that the General Sales Tax system was initially introduced only after exempting a number of goods from its purview, and that those exemptions (on goods like bread, tea, rice, and milk) had been designed so to insulate the country's poor as well as significant portions of its middle class from the worst of the tax's potential effects. Over time, however, Abdullah's policy planners have methodically removed many of these exemptions. Though exemptions still remain in place for sugar, rice flour, cooking oil, lamb, beef, chicken, fish, fresh milk, and tea, beginning in 2018, a 10% tax was imposed on packaged dairy products, eggs, essential vegetables like tomatoes, potatoes, and cucumbers, frozen meat, fresh fish, and fruits (Jeremy Sharp, "Jordan: Background and U.S. Relations, Report: Congressional Research Service (2018), p.2). With the exception of this small number of special goods, moreover, the VAT system now imposes a unified tax rate of 16% on nearly everything else sold in the domestic economy with the exception of those transactions occurring within Jordan's constellation of special economic zones.
2015 to 2018 also saw the tax rate placed on gasoline, petrol, kerosene, and fuel derivatives jump to unprecedented levels. As of 2018, taxes imposed on a litre of 95 octane unleaded gasoline represented approximately 57.2% the total price of that litre, taxes on a litre of kerosene constituted 26% of its total price, and taxes on diesel constituted 26.2% of its total price (Jordan Times Editorial Staff, "'Really high' taxes on fuel part of Kingdom's policy to support Treasury—Zawati", *Jordan Times* (July 29, 2018). By consequence, working class families have also been forced to reckon with substantial increases in the cost of transportation and cooking. While the fuel taxes in particular have been sold through egaltiarian-coated environmentalist appeals, moreover, this mystifies the class-bias that is basic to any such flat tax—especially those that are not supplemented by state investment/subsidization of public transportation in these instances. With January 2018 also seeing the government finally lift its decade long subsidy on bread—a move that increased the price of bread by between 60-100%, and that was partnered with a system of conditional cash transfers meant to offset the price increases for those families deemed sufficiently poor—, the regressive revenue strategy hitherto described has come to be paired with punitive reductions in expenditures as well.

Compounding the distributive effects generated by this tax structure[456] have been the upwardly redistributive effects of domestic borrowing. This modality of borrowing was initially discussed in the context of the 1973-1986 SSA. Functionally speaking, the state's bond issuances—in conjunction with the lack of any significant progress when it comes to income and corporate tax[457]—are upwardly redistributive to the extent that they imply a future transfer of

[456] One should acknowledge that these taxes on consumption were initially introduced as a General Sales Tax. Shortly thereafter, however, the system transition into the generalized Value-Added Tax that it now operates according to.

[457] As well as the pervasiveness of tax evasion, as I will discuss.

income from tax payer to the handful of commercial banks (and their elite owners) that are licensed to participate in the sovereign debt market.[458] At the same time, then, as household budgets are being squeezed by the VAT and the growing cost of basic necessities, those same households are also being placed on the hook for the interest payments the Jordanian government increasingly owes to the country's finance capital. The aggregate result—where households transfer substantial portions of their income to the state while domestic finance enjoys healthy rate of returns on the constellation of debt instruments that it alone is free to acquire—is a highly polarized, developmentally compromised[459], capital-dominated fiscal sociology.

To give these polarizing effects some kind of orienting context, consider that interest payments on locally-held debt alone consumed 8.74% of total state expenditures in 2017 as well as 68.5% of 2017's total capital expenditures.[460] As these percentages dwarf what the state is spending on socially and developmentally essential domains such as education, research and

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[458] This redistributive effect is further enhanced by the fact that interest rates on government issued debt exceed average private sector profit rates by a considerable margin. Not only, then, are these financial institutions ultimately taking money out of the pocket of tax payers. As only licensed financial institutions have access to these bond markets, their returns are also *artificially* juiced vis-a-vis their capitalist competitors.
With government securities now comprising approximately 22% of the aggregate assets held by the domestic banking sector, said financial institutions have been quite keen in taking advantage of their privileged position. Almost by definition, then, the designed exclusivism of the domestic bond market has necessarily implied a relative transfer of wealth to Jordanian financial capital.
See: Jordan Strategy Forum, *Amman Stock Exchange: The Way Forward,* Report (Amman, 2017), p.14

[459] Developmentally, one of the more direct (and negative) consequences of the government's bond issuances concerns its crowding out effect. More specifically, by absorbing significant percentages of the financial sector's investment capital, the government's debt strategy winds up reducing the amounts of capital that are available for productive investment elsewhere in the economy. To a certain extent, then, this revenue strategy allows banks to avoid risk-seeking and profit-seeking investments, thereby stifling growth and innovation.

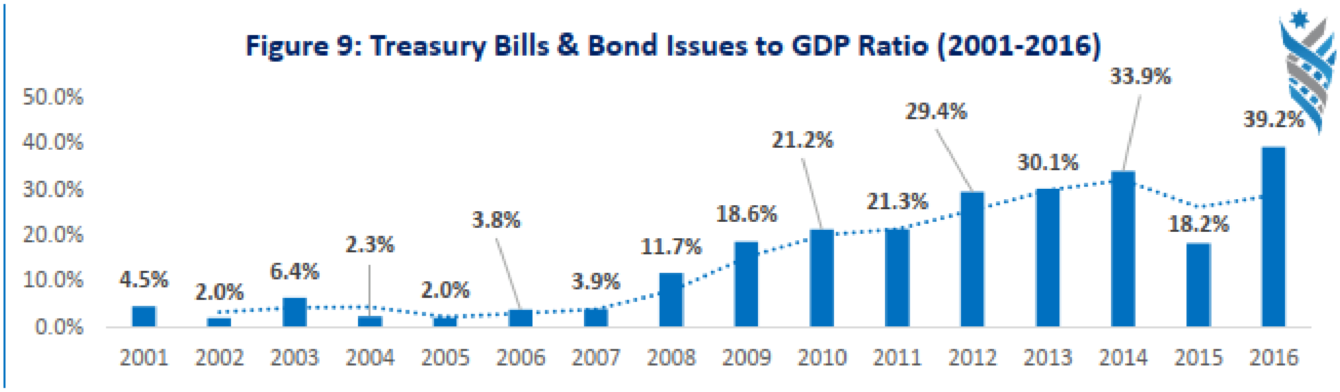
[460] Jordan Strategy Forum, *On the importance… (*2018), p.6.

development, targeted cash transfers, and welfarist interventions more generally, they quite tidily represent the extent to which the inflows and outflows of Abdullah's fiscal policy privilege certain elite actors at the expense of development and social equity.[461]

Capital's Returns on the Domestic Bond Market

As of the time of writing, domestically issued debt instruments—a collection of bonds and treasury bills with tenors ranging from one to ten years—constitute 60.5% of the government's total debt portfolio (MoF document). Relatively short-term bonds and bills of two, three, and five year durations, moreover, comprise roughly 60% of this total. Though the Ministry of Finance's distinguishes between domestic and external debt on the basis of currency denomination (not the residence of the investor) and thereby potentially overstates the magnitude of locally held debt, Saif's 2017 research estimates that 54% of government debt is in the hands of domestic investors (Jordan Strategy Forum, *On the importance…(*2018), p.6).
Disaggregating the debt instruments issued in 2018 and 2019 alone by maturity date, the average interest rate on a six month treasury bill was approximately 4.1%; the average interest on a one year treasury bill was approximately 4-4.2%; the average interest rate on a two-year treasury bill was approximately 4.15%; the average interest rate on a bond of three years was approximately 4.5%; the average interest rate on a bond of five years was approximately 5.45%; the average interest rate on a bond of seven years was 6.3%; the average interest rate on a bond of ten years was approximately 6.8-7%; and the average interest rate on a bond of fifteen years was 7.9% (data provided by Amman Stock Exchange). As of February 2019, the main rate on Jordanian government bonds was 4.75%. The weighted average interest rate on the state's gross domestic debt as of 2017, meanwhile, was 4.1%. Importantly, this is a figure that is nearly double the equivalent rate when it comes to the country's externally held debt (2.4%).

[461] As these bond issuances help to finance current expenditures (and the wages of the King's low skilled public sector workforce), of course, they are act as a critical mechanism within the King's authoritarian renewal strategy.



Graph provided by Jordan Strategy Forum, *Amman Stock Exchange: The Way Forward* (2017), p.14

Before closing on the construction of Jordan's contemporary fiscal sociology, I need also make note of the distributive effects yielded by the state's facilitation of rampant tax evasion. With an issue as murky as tax evasion, it is difficult, of course, to estimate magnitudes with any degree of precision. A general sense for Jordan's struggles in this area, however, can be gained through a brief review of aggregate corporate income tax receipts. Such a review was provided by the Income and Sales Tax Department, which issued a report in 2017 indicating that it collected less than JD 60 million in total from the 132,000 registered and active companies that filed taxes the previous year.[462] Per firm, this figure translates to an average contribution of 455 JD. Given that corporate tax rate outside Jordan's special economic zones sits at 20%, such contribution rates imply either systematic evasion or an economic depression. When one also considers the more pulpy findings revealed following the release of the Panama Papers—findings implicating many of Jordan's political and economic elite, including the royal family, in the Mossack Fonseca overseen scheme—, it is also possible to see how this kind of behavior reaches to (if it is not

[462] Jordan Times Editorial Staff, "132,000 companies involved in tax evasion", *Jordan Times* (April 28, 2018).

directly encouraged by) the very top.[463] In view of these two data points, one can assume that tax evasion is likely costing the state hundreds of millions of JD in annual revenues at the same as it is facilitating upward and outward redistributions of wealth.

To summarize, the fiscal sociology institutionalized under Abdullah's leadership has led to both a significant upward transfer of wealth and the intense, persistent squeezing of Jordan's distressed middle and lower classes. The extremities of Jordan's social polarization in the contemporary period and the structuralized instability, inefficiency, and inequality constituting its contemporary modality of neoliberal capitalism are in no small part a function of the institutionalization of this period's elite-oriented tax policy.

(2) Privatization[464]

Operationally, Abdullah-era privatization has been carried out through three different kinds of transactions. Per Knowles, the first of these sees the government itself sell equity it

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[463] The original Arabic language publication on the Panama Papers scandal (as it relates to Jordan) has been pulled from Ammannet.net's server.

For information on the investigation and people implicated, see: Daoud Kuttab, "Publishing the Panama Papers in Jordan", *Zenith Magazine* (2016).

Data available at: International Consortium of Investigative Journalists, *The Panama Papers: Exposing the Rogue Offshore Finance Industry* (https://offshoreleaks.icij.org/).

[464] Schlumberger has argued that Abdullah's privatization initiatives served two principal functions. On the one hand, it allowed King Abdullah to perform the role of earnest neoliberal reformer. By privatizing key assets, he could partially satisfy the wants of his foreign creditors (and his backers in the west) while not yet risking the kind of social upheaval that were immanent to other areas of the structural reform package such as subsidy removal or mass layoffs in the public sector. On the other hand, privatization and the underpriced transfers of valuable state owned assets that it enacted also allowed him to consummate a new partnership with a now transnationalized coalition of capitalist allies.

directly holds in various SOEs to an emergent constellation of strategic foreign partners.[465] In practice, these externally-oriented direct equity sales served as the chief mechanism through which the state offloaded (at least partially) a number of key industrial assets in the early 2000s.[466] It was through this means, for instance, that France's Lafarge acquired what would become a 50.2% equity share in the Jordan Cement Factory Company.[467] Similarly, this was the means through which Canada's Nutrien Ltd became the single largest shareholder in the Arab Potash Company (28% of equity), a famously proud, formerly pan-Arabist (and publicly owned)

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465 The one exception to this rule is the Jordanian Petroleum Refinery Company (JPRC), which remains organized as an SOE as of the time of writing. Many of Abdullah's economized elite—including Alaa Bataineh, Omar al-Kurdi, and Walid Asfour—sit on its Board.

See: Knowles (2001), pp.236-247.

466 This was also the mechanism through which the state divested from the highly profitable Jordanian Telecommunications Company. The internal politics—and the aggressive contests for rents that pitted two members of *Generation Abdullah,* Jamal Sarayrah and Ali Shukri, against one another—involved in this partial sale have been well documented. As it eventually played out, 40% of the JTC wound up sold a consortium comprised of French Telecom (35.2%) and Arab Bank (4.8%).

467 It was actually Hamdi Taba'a, one of the true elder statesmen of Jordanian capital, who was Chairman of the JCFC at the time of this transaction.

After LaFarge's acquisition of a majority equity share, the Social Security Corporation still retained a 21.8% stake in JCFC, thereby insuring a continuation of state influence. The estate of Chaabi Miloud holds 10.3% equity and is the third largest shareholder at the time of writing.

entity.[468] Direct equity sales were also used in the case of the Jordanian Phosphate Mines Company (JPMC)[469] and the Jordanian Fertilizer Company (JFC).470

Internally-oriented divestments carried out by Jordan's nominally autonomous public credit institutions constitute the second kind of privatization transaction. Generally speaking, it has been the public sector's pension fund, the Jordan Investment Corporation (JIC, later renamed the Social Security Corporation, or SSC)), that orchestrates these transactions, and generally speaking, the JIC/SSC has offloaded minority shareholdings to local strategic investors. If the first kind of privatization transaction had functioned so to sell off Jordan's industrial base to foreign actors, the second kind functioned so transfer a great deal of public wealth (and healthy SOEs) into the private hands of the politically connected business elite. Socially polarizing as these divestment operations were always bound to be, their effect ended up being doubly so due to the fact that in practice, the public credit institutions wound up selling their shares in more profitable assets and businesses (at discounted prices) while retaining more toxic assets on their balance

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[468] Jamal Sarayrah, a man who would also find himself at the center of the Jordan Telecommunications Company's privatization, sits as Chairman of the Board at the Arab Potash Company at the time of writing.

[469] The original buyers of the JPMC were the government of Brunei (37%) and two subsidiaries of the Indian Farmers Fertilizers Cooperative (9.62%). Upon the revelations of corruption on the part of JPMC CEO Walid Kurdi in 2012—who is the uncle of King Abdullah and who has lived in the UK since these corruptions came to light—, the government of Brunei divested its shares to the aforementioned Indian cooperative. This transaction was completed in 2018.

[470] The Jordan Fertilizer Company (JFC) was itself a (toxic) subsidiary of the JPMC. During the early 2000s, it was effectively split into two separate entities, each of which would be reformed as a joint venture company through partnerships with two respective foreign investors. The JFC's one-time southern operations came to be operated by a limited liability joint venture company called Nippon Jordan Fertilizer Company, while its northern operations would be steered by the similarly organized Jordan Indian Fertilizer Company.

sheets.[471] By consequence, this form of divestment was, functionally speaking, enriching well-connected speculators through degrading the value and health of the JIC's portfolio—a portfolio upon which the pensions of public sector workers depended. Indirectly, then, these privatization transactions implied a process of accumulation through dispossession.

The third kind of privatization transaction sees the state first lease and then subsequently transfer public assets to either foreign or domestic consortia.[472] Policy planners typically opt for this mechanism in dealing with capital-intensive infrastructure or critical utilities like water services and electricity distribution. Specific to the former—and in addition to the privatization of Aqaba Port that was discussed in chapter six—, notable privatizations of this type include Queen Alia Airport, the Amman City Bus system, and the Aqaba Railroad Corporation.[473] As for the privatization of utilities, one need begin with water services—and with the World Bank. As is detailed in Basil Mahayni's 2015 dissertation, the Bank had actually been pushing for the privatization of water management since the 1990s; it even financed the management contract through which the Water Authority of Jordan first *introduced corporate governance* to its Amman-

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471 This would be seen in the JIC's retention of the Jordan Tobacco and Cigarettes Company, for example.

472 Of the mechanism three styled privatizations, I should note that Abdullah's policy planners also used a lease-transfer agreement to turn the Jordan Poultry Processing and Marketing Company over to Abdul Hadi Hammoudeh, whose Hammoudeh Group operates a multi-sector conglomerate stretching from dairy and meat to chemicals to plastics to cleaning supplies to generalized trading and investment (http://www.hammoudeh.com/SubDefault.aspx?PageId=186&MenuId=88).

473 Though virtually no progress has been made since the signing of the contract, the Aqaba Railroad Corporation was officially sold to a consortium led by Raytheon, the Wisconsin Central Transportation Corporation, Mitsubishi, the Jordan Phosphates Mining Company, and the Kawar Group during the early days of Abdullah's reign (Knowles, 2001, p.243).

based operations.[474] By the early 2010s, the Bank's consistent prodding was sufficient to ensure that the commercialization (though not the privatization) of water management spread to Aqaba as well.[475] Beginning in 2011, USAid (through its Institutional Support and Strengthening Project) joined the Bank in pushing the Jordanian state to move beyond these *localized* interventions so to corporatize the national water management system. Working in conjunction with two foreign consultancies—International Resources Group and EcoConsult—Aid has, to date, achieved some moderate successes on this front. In 2012, the Jordanian authorities were *persuaded* to set up a limited liability company at the national level and to rationalizing water tariffs so that the *prices* paid by households more accurately reflected the *cost* of water provisions.[476]

In addition to the commercialization of water management, a number of more expansive contracts concerning the rehabilitation of the country's larger water infrastructure have been tendered to private firms during Abdullah's tenure as well. The most substantial of these—the

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474 Basil Mahayni, *Crisis in Jordan's Water Sector? Understanding the Dynamics of Institutional and Political Constraints in Water Management and Corporatization Reforms,* Doctoral dissertation, University of Minnesota (2015), p.110.

This $55 million contract, awarded in 1999, went to a consortium led by Lyonnaise de Eaux, a French company working in collaboration with Montgomery Watson and Arabtech Jaradneh (LEMA).

475 Ibid, pp.115-116.
Much of this proceeded under the banner of the Capital Investment Project. At the time of writing, water management in Amman is run by the Jordan Water Company-Miyahuna, which is itself fully owned by the Water Authority of Jordan. In Aqaba, the Aqaba Water Company, which is jointly owned by the Water Authority of Jordan and ASEZA (the latter of which holds a 15% stake), handles management.

476 Ibid, p.121.
While the *price* of water has not yet been passed onto the consumer in full, given the nature of water distribution in Jordan—once a week, the aforementioned management companies fill tanks that sit on top of individual apartment buildings; each tank corresponds to a single apartment within that building, and must last that household a full week—, it is hard to envision any scheme for increasing prices that would not be regressive in nature. A flat increase on the tariff individual households are paying for their weekly allotment of water, for instance, would be disproportionately injurious to the poor.

much ballyhooed Disi Water Conveyance Project—entailed the construction of a 325 kilometer pipeline that was to transport water from the Disi aquifer in the south of the country all the way up to Amman. Like with the airport and Aqaba's port, this contract had been structured as a build-operate-transfer agreement—and just as was the case in those previous instances, the contract had been awarded to a foreign firm.[477] Unlike those cases, however, the Disi Conveyance Project has been an unambiguous, irrefutable disaster. Mired in corruption and malpractice from the start, the Jordanian Ministry of Water and Irrigation was eventually forced to take said foreign firm (namely, Diwaco) to the Permanent Court of Arbitration after the firm, struggling with a number of logistical and technical challenges, attempted to extract $460 million from the state without having made any real progress on the pipeline.[478] While the Ministry won the case, the ordeal has certainly laid bare some of the dangers inherent to Abdullah et al.'s preference towards the privatization of public infrastructure.

[477] Diwaco, a subsidiary of the Turkish conglomerate GAMA Energy, won the contract.

[478] For the reporting of this scandal, see: Hana Ramrouqa, "Water ministry wins Disi-related arbitration case worth $460m", *Jordan Times* (February 23, 2018).

Selling the Queen Alia Airport

As was the case with the Aqaba Port, the contract for the renovation, reconstruction, and operation of Amman's main international airport—awarded to the Airports International Group (AIG) in 2007—was structured according to a twenty-five year build-own-transfer agreement. AIG's majority shareholder is the Paris-based ADP International S.A. (51% equity). Meridiam Eastern Europe Investments holds an additional 32%, the UAE-based MENA Airport Holdings Ltd. Holds 12.25%, and the EDGO Group, one of the many entities owned by the Masri family, holds 4.75%. Regarding the Masri connect, Munib Masri is EDGO's Chairman and Omar Masri is his Vice Chairman.

AIG's operations were financed mostly by the IFC, the Islamic Development Bank, and a handful of regional partners, including the Kuwait based Noor Financial Investment Company KSCC and the Abu Dhabi Investment Group (International Finance Corporation, *Queen Alia International Airport—the Role of IFC in Facilitating Private Investment in a Large Airport Project*, Report: EMCompass 2017, p.2). Its particular B-O-T agreement with the Jordanian state stipulated that the state would retain official ownership of the airport for the duration of the twenty-five year contract, that the state assumes all the project's debts in the event of contract termination, and that the state receives roughly 54% of the revenues generated therein during the same period. Importantly, however, after the twenty-five year lease passes, ownership of Queen Alia will be transferred to AIG in full (Madhavi Gosavi, *Queen Alia International Airport Project, Jordan,* Report: Norton Rose LLP, 2009). In view of those who stand to benefit from such a transfer, the Airport's renovation, like the renovation of Aqaba's port, was carried out in such a manner so as to ensure that the interests of a number of (transnational) elite private actors are served.

When it comes to energy generation, privatization has also tended to transfer public assets into foreign hands. The largest of the private actors now operating in this space is the Central Electricity Generation Company (CEGCO). At the time of writing, the firm operates a thermal power station in Aqaba, a gas power station in Risha, a hybrid gas-turbine power station in Rehab, and wind power stations in Ibrahimyah and Hofa. In the past seven years alone, it has been tendered twelve government contracts. Originally a subsidiary of Enara—the Dubai-based energy investment arm of Jordan Dubai Capital—, CEGCO was acquired by the Saudi-based ICWA

Power International in 2011.[479] Joining CEGCO in the Jordanian energy generation business is the US-based AES Corporation and Japan-based Mitsui and Company, which together led the Amman East Power Plan project.[480] As for the distribution of energy, Abdullah's planners (initially) opted to lease-transfer electricity distribution operations out to two private entities. The Electricity Distribution Company (EDCO) was given exclusive distribution rights across the governorates of Karak, Tafilah, Ma'an, and Aqaba as well as across the entirety of the Jordan Valley and those eastern lands bordering Iraq. The Irbid District Electricity Company (IDECO), meanwhile, won distribution rights with the governorate of Irbid. Shortly after these arrangements were established (2009), the Kingdom Electricity Company (KEC), which already owned 100% of EDCO's shares, purchased 55.4% of IDECO's shares. By consequence of this acquisition, a de facto monopoly came to control electricity distribution across the majority of Jordan's territory.[481] Though the publicly managed Jordan Electricity Distribution Company (JEDCO) still retains control over electricity distribution market in Amman, its nearly decade long flirtation with insolvency—which required a number of capital injections after political crisis in Sinai sent gas prices skyrocketing between 2011 and 2015—, in conjunction with the relentless advocacy undertaken by the IFIs in pushing for JEDCO's privatization, suggests it too may come under the control of KEC in the near to medium term future.

[479] The government of Jordan and the Social Security Investment Fund retain roughly 49% equity in CEGCO.

[480] Financing for this project was provided by US Overseas Private Investment Corporation, Japan Bank of International Cooperation, and the Sumitomo Banking Corporation; risk was guaranteed by the IBRD.

[481] For more on the KEC, see: http://www.kec.jo/electricity-distribution-company-edco

A quick look at the KEC's board of directors gives an indication of how the regime has used privatization as a kind of conveyor belt for ushering old political elites and Palace acolytes into the circuits of rent that are so basic to Abdullah's neoliberal capitalism. Nadia Rawabdeh, previously a Director of the Social Security Corporation until her *retirement* in 2018 sits as KEC Chairman of the Board at the time of writing. Joining her on the board is Ziyad Homsi, Chairman of the Amman Chamber of Industry and a multiple term Senator. Finally, tying the royal family directly into the wider privatization grift, Alaa Batayneh—a multiple term Senator, former Minister of Energy and Mineral Resources during Fayez Tarawneh's government, board member for the Jordanian Petroleum Refinery Company, and the son-in-law of Prince Hassan—too has a board seat at the KEC.

(3) Public Credit Institutions and Elite Enterprises

If domestic elites benefit from the JIC's/SSC's strategy of divestment, it is worth noting that they also benefit from the public credit institution's strategy of investment as well. The Social Security Corporation in particular holds significant equity in many of the country's largest companies and real estate development projects. With the SSC's own viability tied to the successes and profits of these elite-owned enterprises—and with the Palace, by definition, holding a vested interest in the SSC's continued viability—, SSC investments are tantamount to a royal endorsement and a discretionary, politicized intervention in the favor of certain actors above others. In tilting the table in the favor of these actors and enterprises, the SSC's investments thereby function as one of the principal mechanisms undergirding Jordan's compromised, elite-oriented form of market competition (and, by extension, as one of the causes of the country's inefficient, underperforming capitalism).

Index 1 lays out all of the SSC's investments on the ASE. Though data on its holdings in privately operated ventures is unavailable, a brief survey of the index is sufficient to give the reader a sense of the institution's economic footprint. I recommend the reader review it in full to better appreciate the scale (and character) of this investment. In place of that, a couple points are worth emphasizing. First, the SSC has massive equity holdings in the banking sector. As of March 2019, the SSC held a 17% stake in Arab Bank, a 5% stake in Jordan Islamic Bank, a 21% stake in Jordan Kuwait bank, a 20% stake in Jordan Commercial Bank, a 15% stake in the Housing Bank for Trade and Finance, a 9% stake in Safwa Islamic Bank, a 5.2% stake in Bank al Etihad, a 7.2% stake in Cairo Amman Bank, a 10% stake in Jordan Ahli Bank, and a 9.9% stake in Bank of Jordan.

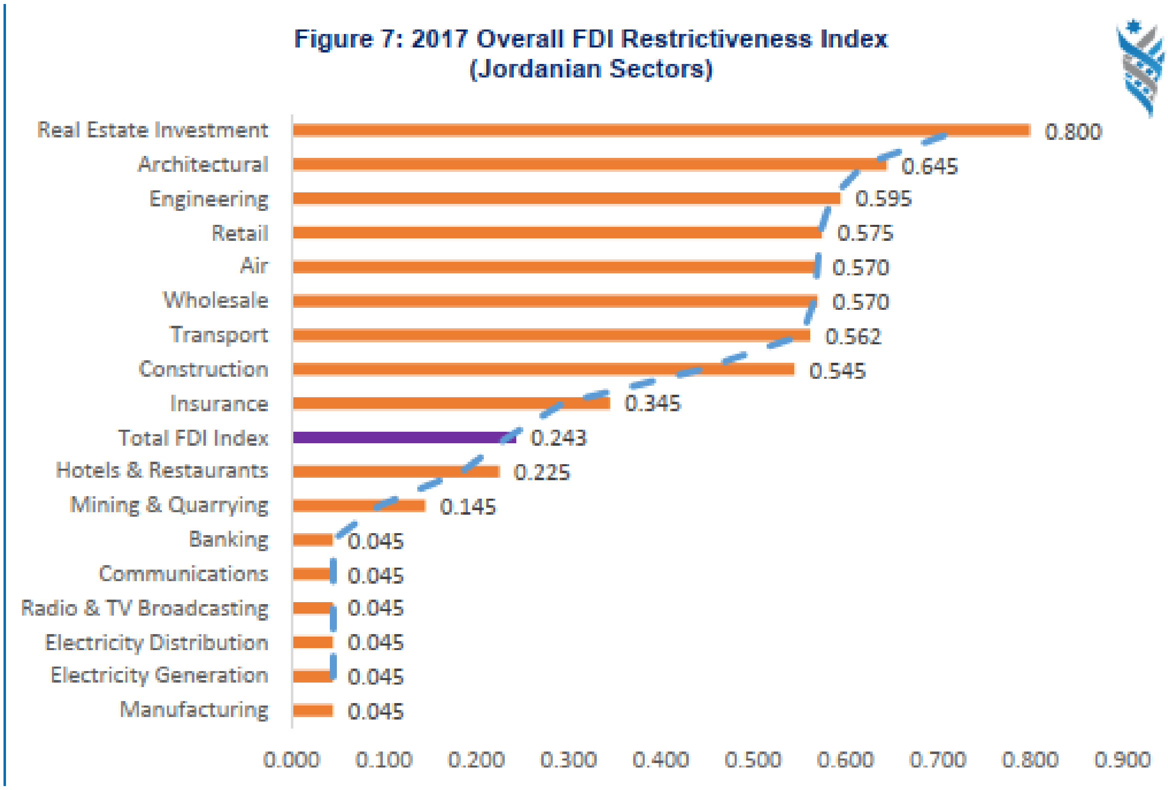
As mentioned, the SSC also bolsters many of the enterprises directly owned by the elite fraction of the country's capitalist class. In addition to its investments in the banking sector (detailed above), this can be seen in the fact that the institution also holds significant equity in Jordan Insurance (7%), a property primarily owned by Uthman Ali Uthman Bdeir; in the Nuqul family's Jordan National Shipping Lines Company (13.5%); in the Masri family's Zara Investment Holdings (12.4%); in the Muasher family's Al-Dawliyah for Hotels and Malls (12%); in Jordan Telecom (28.9%), where Sabih Masri's Noor Telecommunications also holds a 9.3% stake; in the Talhouni family's Jordan Worsted Mills (20%); as well as holding significant stakes in the big five industrial firms.

(3) Current and capital account liberalization: Curating market competition

If Abdullah's policymakers managed privatization in such a way as to generate opportunities and profits for both Jordanian and non-Jordanian economic elites, they mediated the country's economic opening so to serve the particularist interests of the former first and foremost. Indeed, despite the extensiveness with which the current and capital accounts have been liberalized in the aggregate during the twenty-first century, through means both subtle and obvious, *Generation Abdullah* policy planners have still consistently limited domestic merchant capital's exposure to foreign competition within those sectors that are most critical to their profits.[482] In so doing, while they have facilitated the transnationalization of the capital class, they have simultaneously ensured that the domestic fractions of the bourgeois elite were not subsumed or replaced in the process.[483]

482 This is unsurprising when one considers that these policy planners are predominantly members of the domestic bourgeois elite themselves. In this instance, the most relevant individuals are Sahel al-Majli and Raghda Kurdi, who managed investment policy during the early years of the ECC.

483 I will discuss this at length in the chapter on the external articulation of the contemporary SSA. Capital and current account liberalization have certainly precipitated a rapid transformation in the structure of domestic finance, a structure now witnessing non-nationals hold a majority stake in the aggregate equity of Jordan's banking sector (and, thereby, a near majority in the aggregate equity of all publicly traded firms on the Amman Stock Exchange). Given that the global neoliberal SSA has been characterized by the financialization of capital and the consolidation of a transnational financial capital class more than anything else, Jordan's opening of its banking sector allowed its economy to keep pace with global changes, to satisfy the wishes of that transnational class, and to facilitate its domestic bourgeoisie's integration into such a class. By restricting or conditionalizing foreign investment in real estate, manufacturing, extractive industries, communications, and the hospitality sectors, however, the transnationalization of finance has not implied the demise of Jordan's business elite. Global integration was thereby steered so to make certain that this domestic bourgeoisie would not be swallowed and discarded by external actors whose advantages in scale would have otherwise led to such an outcome.



Graph provided by Jordan Strategy Forum, *Foreign Direct Investment in Jordan: Should we care? Why and how?,* Report: 2018, p.9

Procedurally, this subtle protectionism has primarily been institutionalized through regulatory measures and sector-specific restrictions on FDI inflows. While restrictions in the banking sector have been lifted almost entirely—a move befitting the interests of international financial capital—, substantial restrictions (or conditional access) remain in place when it comes to real estate, communications, manufacturing, extractive industries, retail commerce, wholesale commerce, and engineering. Not only do these restrictions function so to protect much of the old merchant quota coterie, a group whose business interests remain disproportionally dependent upon on domestic consumption and the import-based commercial economy. They also function so to force foreign actors to partner with a domestic one should the former want to invest in the built environment, an area of the economy that is now the lifeblood of global capitalism. Thereby binding Gulf capital, which has a particularly acute propensity for real estate investment, with domestic development magnates, a handful of regime-connected building contractors, an entrepreneurial military elite (discussed next), and more predatious individuals within the Royal Court through mega real estate development, the cynical use of FDI restrictions has allowed the Palace to deliver profits to all the members of its transnational coalition.[484] While this coalition-building simultaneously insures the economy's long-term underdevelopment, it is essential to the stabilization of accumulation in the here and now.

(4) Industrial + Investment Policy: Export Processing Zones, Mega Real Estate Projects, and Military Industrial Complex

The distributive effects of industrial and investment policy under King Abdullah have been elite-oriented as well. These forms of state intervention in the economy have generally adopted one of two forms. The first I will conceptualize as *laissez faire industrial policy.* The second I will refer to as *militarized industrial policy.*

Laissez Faire Industrial Policy: Export Processing Zones, Qualifying Industrial Zones, Special Economic Zones, and Special Development Zones

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[484] While a few domestic actors have been alienated or excluded from these processes—Abu Ghazzeleh in new Abdali—this form of state intervention has also been extremely efficacious in using cheap, elite-distributed profits to solidify the regime's transnational base. One the prime beneficiaries has been the Saket & Lozi Contracting Company.

With this conceptualization, I more specifically refer to a series of export processing zones (EPZs) established (or expanded) over the course of the past twenty years. The orientation of these EPZs can be deemed laissez-faire to the extent that they provide firms operating within their jurisdictions with non-conditional subsidies and investment incentives.[485]

Laissez-faire, EPZ-based industrial policy in Jordan was spearheaded by the Economic Consultative Council in conjunction with the Jordan Investment Board (an entity later renamed the Jordan Investment Commission). These policies built on a model first articulated under the Qualifying Industrial Zones (QIZs) initiative that followed Jordan's signing of a peace treaty with Israeli at Wadi Araba in 1996, and were initially formalized under the Investment Promotion Laws of 2000 and 2003.[486] Introducing a historical unique form of corporate welfare, the Investment Laws of 2000 and 2003 specifically established that all firms operating across a network of QIZs and designated industrial estates were to be afforded a twelve years moratorium on tax payments, full freedom in repatriating capital and profits, exemptions on customs duties for industrial inputs, and tax exemptions for the salaries of foreign workers.[487]

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[485] It should be acknowledged that the EPZ model was established in Jordan prior to Abdullah's coronation. Its first iteration took shape in 1996 in the afterglow of Jordan's signing of a peace treaty with Israel at Wadi Araba, and was organized around a constellation of Qualifying Industrial Zones (QIZs).
By the early 2000s, thirteen different Qualifying Industrial Zones were in operation, the vast majority of which were actually privately owned and operated. On one occasion, a single single garment factory—Ez-Zay Ready Wear and Manufacturing Company—was itself designated as a QIZ. Regardless of ownership, however, the government would subsidize the cost of utilities, communications facilities, and transportation infrastructure within such zones.

See: Marwan Kardoosh and Riad al Khouri, *Qualifying Industrial Zones and Sustainable Development in Jordan,* Draft Paper (2004).

[486] Many of these estates had been established under Hussein's leadership during the 1980s and 1990.

[487] Infrastructure within these special zones was also provided by the state.

A Brief History of Jordan's Qualifying Industrial Zones

An invention of the Office of the US Trade Representative, the US State Department, and the Regional Business Council, Qualifying Industrial Zones were introduced under the thinking that they might provide a mechanism for incentivizing economic collaboration between Israel and its two Arab partners in peace: Egypt and Jordan. The arrangement was largely premised on the fact that Israel, unlike Jordan and Egypt, had access to the American market by virtue of the free trade agreement (FTA) it signed with the United States in 1985. Under the QIZ program, Congress would amend this FTA so to extend Israeli-related free trade status to goods *jointly* grown, produced, or manufactured by Israeli and Jordanian-based firms. This same status was to be extended to goods jointly produced between Israel and the West Bank/Gaza.

More specifically, QIZ status and the tariff free, quota free entry to the United States market it implied was dependent upon a complex local content requirement-based formula whereby Jordan/Israeli firms would need to collectively contribute 35% of the appraised value of a good upon its exportation to the United States. So to incentivize collaboration in particular, this aggregate figure of 35% could be reached through one of three methods, as detailed by Kardoosh and Khouri: (1) The first method required that 11.7% of the local content requirement be provided by Jordan, 7-8% from Israel, and that the remaining 15-16% could be provided by Jordan, Israel, the West Bank, Gaza, or even the United States, (2) The second method would grant a good QIZ status if an Israeli firm and a Jordanian firm each contributed at least 20% of the total cost of production. As costs of production included the payment of wages, benefits, and even costs related to the depreciation of capital, it was not difficult for an Israeli firm to get to that 20% bar (given its higher input prices) even were it only minimally involved in the business process. (3) The third method, finally, required satisfying some non-explicit combination of the content and production cost-based criteria as determined by the Office of the US Trade Representative (Kardoosh and Khouri, 12-14).

As an (ultimately insufficient) attempt to legislate against the QIZs being instrumentalized as a mechanism for re-exportation, meanwhile, this arrangement also stipulated that garments and apparel would only qualify for QIZ status were their imported inputs subjected to two "substantial transformations." Though this might sound significant, the cutting and sewing of imported fabrics would qualify as two such transformations (Kardoosh and Khouri, p.13).

For a number of reasons, the QIZ model eventually faded into obsolescence. Some concerned the enduring political thorniness of the peace process with Israel, which made Jordanian firms reluctant to partner with Israeli partners lest they suffer a public shaming or domestic boycott. More importantly than that in precipitating the withering of the QIZs, however, was Jordan's signing of its own bilateral free trade agreement with the United States in 2000, a deal that allowed domestic (and international) firms to access the US market without having to satisfy the complex conditions related to joint production. Certainly, the special benefits that QIZ status provided vis-à-vis local content requirements, transformation requirements, and production costs retained their attractiveness for the re-exportation business. That said, once Jordan itself acquired independent tariff free, customs free, quota free access to the United States market—and once new investment laws were passed so to extend QIZ-based subsidies and tax exemptions into special economic and development zones[488]—, those benefits were no longer quite so special. By 2012, only one qualifying industrial zone (in Irbid) was still in operation.

Fig. 9: **QIZ Exports (million US$), 2000–2011**

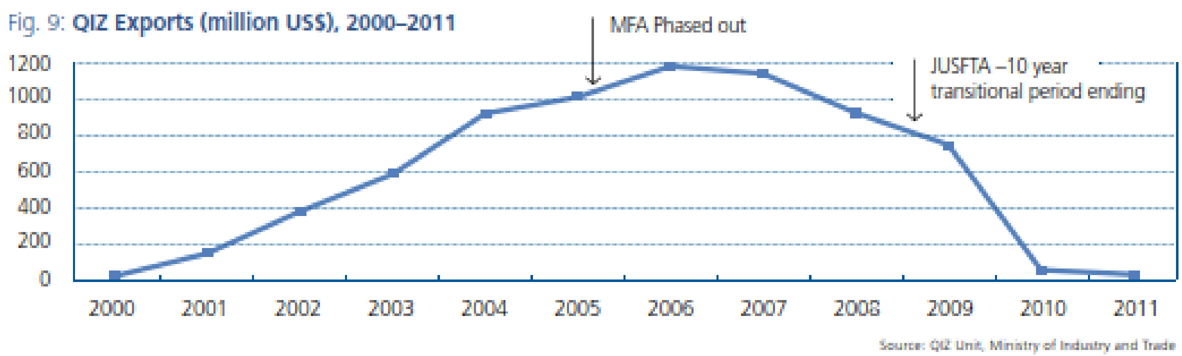
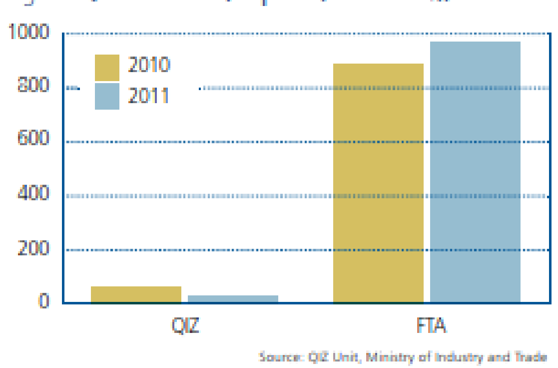


Fig. 17: **QIZ versus FTA, Exports (million US$), 2010–2011**



* Graphs provided by Royal Scientific Society of Jordan and the Friedrich Ebert-Stiftung Amman Office, *The Future of Jordan's Qualified Industrial Zones,* Report: 2013 (p.11)

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488 At the time of writing, there are six Public Free Zones in operations, thirty-seven individual firms that have been granted the legal status (and state benefits commensurate to that status) of Private Free Zones, and two government owned development zones (The Dead Sea Development Zone and the Ajloun-al Suwwan Zone) in operation.

Regards that new legislation, Investment Law No.30 of 2014 largely reavowed and reinstated the EPZ-centered non-conditional system of benefits and incentives once offered firms within the QIZs.[489] The only significant difference introduced by the new law was the removal of requirements related to Israeli partners and the extension of these benefits into freshly coined *Special Free Zones* and *Special Development Zones.* For those firms operating within designated Free Zones, the law exempted profits generated from export-based and intra-zone economic activities from income tax; exempted the salaries and bonuses of non-Jordanian staff from income and socials service tax; exempted the commodities imported into and out of the zones from taxes and fees; exempted the buildings and constructions erected on the land the Free Zone from land and property tax; and removed all restrictions on the repatriation of profits and capital.[490] Those firms operating within the Development Zones, meanwhile, are afforded a 5% tax rate; an exemption on sales tax for all inputs; exemptions on customs duties for all inputs; exemptions on taxes related to social security and dividends; and the opportunity to both sign land leases of up to ninety years and to acquire critical infrastructure through build-operate-transfer agreements (as was the case with the Airport).[491] These benefits were provided regardless of whether the respective special or development zone was privately or publicly operated.

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489 Both the Free and Development Zones are governed and administered by the Jordanian Free and Development Zones Board of Directors.

490 In addition, those firms engaged in industrial projects were also offered a number of special tax exemptions.

491 For full details, see: http://www.jfdz.jo/inner/inneren.html?path=BusinessEstablishment&page=Exemptionsincentives_en

Laissez Faire Industrial Policy and Export Processing Zones Under Abdullah

Most generally speaking, the Jordanian policy elite has approached questions of industrial policy in a manner largely in keeping with the models and theories advocated for at the World Bank. Like Bank economists, Jordanian planners have consistently asserted that policy failure is both endemic and immanent to any state intervention that is protectionist, vertical, or price affecting in nature (see: Ministry of Planning and International Cooperation, *The National Social and Economic Development Plan*, p.198); this being the case, they have also assumed that policies of this kind would generate levels of economic inefficiencies, corruption, and waste that would undermine the economy's capacity to successfully compete within international markets.

Following from claims contained in the Bank's theoretical constructs, Jordanian planners have also assumed that FDI inflows, in combination with private domestic investment, would be sufficient to make up for the (prioritized) decline in public investment that would be forthcoming due to fiscal consolidation-related imperatives.

Finally, Jordanian policy plans have generally tended to assume (as many Bank economists once did) that unencumbered, unrestricted foreign direct investment (FDI) inflows will deliver, automatically and by their own accord, the sort of technological upgrading, knowledge transfer, and modernization of industry needed for the Jordanian economy to successful integrate into global circuits of production and trade. In other words, they have assumed that no conditions need be placed on the various forms of state aid that are offered to foreign investors across the country's export processing zones and special economic zones in order to insure that those actors do, indeed, transfer technologies, train local workers, and engage in other kinds of developmentally beneficial investment. This assumption was fundamentally misguided and of disastrous consequence for the Jordanian economy.

Whether speaking of the QIZ-era of the contemporary SPZ/SDZ-era, the results borne from the state's laissez-faire, export processing zone-based industrial policies have been predictable if nevertheless tragic. To begin, for all effects and purposes, each version of these EPZs has functioned primarily so to facilitate South Asian firms' re-exportation of low-sophistication garments.[492] This is so even in the case of those EPZs that have been explicitly styled as

[492] Having found themselves locked out of the American garments market due to quotas and anti-dumping rules (especially following the long delayed implementation of the Multifiber Agreement in 2005), Jordan's EPZs were a major lifesaver for such firms.

technology incubators, such as the Cyber City IT Park. By consequence, the complexity of Jordan's export basket has actually *declined* due to the state's laissez faire industrial policies, which goes a long way towards explaining the country's worsening terms of trade under Abdullah. What is more, by virtue of the fact that South Asian investment into Jordan's EPZs is footloose and non-capital intensive in nature—and by virtue of the fact that this investment is allocating into sunsetting industries that operate according to traditional, low skill manufacturing techniques—, the EPZs have also provided little in the way of technology transfer and human capital development.[493]

In addition, as the terms of the investment laws described earlier exempt industrial inputs from customs' duties, it is also worth noting that the foreign garment manufacturers who populate the EPZs have had no need to build upward and downward linkages to domestic suppliers and manufacturers.[494] This being the case, their businesses—and the EPZ ecosystem

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Some evidence of the preponderance of re-exportation, at the peak of its operations, the Jordan Department of Statistics estimated that intermediate imports (i.e. imported inputs) constituted 58.5% of the total value of goods being exported from the al-Dulayl QIZ.

[493] Royal Scientific Society et al (2013), pp.23-24.

[494] Royal Scientific Society et al (2013), pp.21-22.
Given that Jordan, unlike Egypt, is not a producer of any of the inputs (like cotton) that this garment based-trade relies upon, there was never going to be much opportunity for building vertical integration to the domestic economy.

What is worse, however, by virtue of the fact that Jordan's endogenous resource base (i.e. its lack of cotton) itself was thereby insufficient for attracting and retaining this kind of investment, the only way to keep garment manufacturing in Jordan was to continue subsidizing infrastructure, to continue granting tax exemptions, and to continue provisioning access to the US market (Future of Jordan's QIZs, p.7). As a result, the QIZ-based industrial strategy allowed South Asian footloose investment incredible leverage, as all these firms ever needed to do was to allude to the prospect of capital flight (to Egypt, perhaps) in order to ensure that the Jordanian government would renew these subsidies and tax exemptions (and to ensure that it would continue to largely ignore the labor abuse that was so rampant in those firms' factories).

more generally—have been allowed to remain wholly disarticulated from the rest of the domestic economy across the duration of their time in Jordan, thereby generating next to nothing when it came to indirect positive externalities as well. To make matters even worse, the low sophistication manufacturing enterprises that dominate the majority of Jordan's EPZs also employ exceedingly few Jordanians—and subject the handful of Jordanians they do employ to extremely low wages and poor working conditions.[495] In the aggregate then, apart from securing healthy profits for international allies (allies, it should be said, who immediately and freely repatriate their capital), the economic and social contribution of the regime's EPZ-based industrial policies is effectively negligible. When one considers opportunity cost, laissez faire industrial policy likely takes more from the table than it adds. To date, these zones have yielded virtually nothing in the ways of technological transfers, industrial upgrading, forward or backward linkages to other parts of the economy, clustering effects, and tax revenues, and have degraded the diversity or sophistication of the country's export basket as well.[496]

[495] Indeed, despite the Ministry of Labor itself financing the training of local workers—a policy undertaken with the hope that Jordanians would fill the low-skill jobs on offer by these garment manufacturers—little progress was ever ultimately made in the domain of domestically-oriented job creation. This was because simultaneous to MoLs efforts, the state was expediting the granting of work visas for foreign workers at the request of the garment manufacturers, who preferred to import their workforce as much as they did their inputs. For those Jordanians that were lucky enough to secure a job, moreover, a population that was disproportionately female, they would be be afforded abusive working conditions, negligible opportunities for upward mobility, and "non-existent" skill development for their trouble.

[496] See: Kardoosh and al Khouri (2004), pp.4-7; Royal Scientific Society et al (2013), pp.12-13; Jomana Amara, "Military industrialization and economic development: Jordan's defense industry", *Review of Financial Economics* (17), 2008, pp.136-140.

<u>QIZ Performance: Job Creation and Export Sophistication</u>[497]

Fig. 13: Workers at the QIZs (Jordanians versus Non-Jordanians), 2008–2009

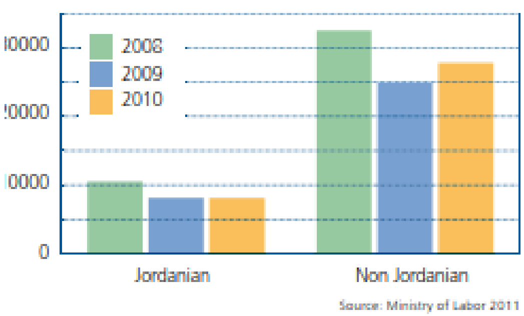
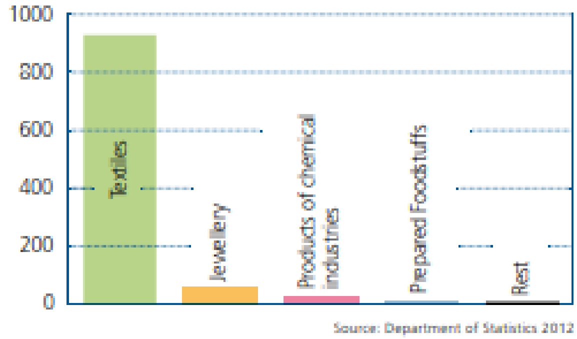


Fig. 11: Top Five Exported Products to the US Market (million US$), 2011



If an unmitigated developmental failure, one should not necessarily go on to assume that the regime's laissez-faire industrial policies have therefore contributed nothing to the stabilization of Jordan's capitalism of crisis. To the contrary, I believe these policies have helped consolidate this accumulation (and the wider SSA that institutionalizes it) in two distinct ways. First, Jordan's export processing zones have unambiguously expedited (and subsidized) profits for a number of regime allies. Of these material beneficiaries, one need consider the rent-extracting administrators and board members that oversee the constellation of special economic and development zones in operation in the contemporary period as much as the garment firms using the EPZs to re-export their product into the United States. Regardless of the long-term, developmentally destructive nature of the profits and rents that all these actors are claiming, in the short-term, they keep the economy turning over while also integrating new networks of

497 Graphs provided by Royal Scientific Society et al (2013), pp.12-13

economic actors into a relationship of co-dependency vis-à-vis the Hashemite regime. Second, one need also acknowledge the ideological effect generated by the state's laissez faire industrial policies. Not withstanding the deficiencies and structural naiveté that are essential to the laissez faire policies just described, they are nevertheless drawn directly from the *collective* common sense of the international development community. By implementing them, then, the regime is able to perform its ideological propriety for the international community. Thereby helping ensure that Abdullah et al stay in the good graces of Jordan's various patrons and creditors—actors who can then be counted on to step in with capital injections whenever the economy's flirtations with crisis drift too far—, the ideological fruits of these laissez faire industrial policies also helps stabilize the wider SSA, if indirectly so.

Omar Razzaz and Jordan's Export Processing Zones

The issues basic to these export processing zones have not gone unnoticed by all Jordan's policy planners. What I call the country's neoliberal left—a segment of the policy elite led by Omar Razzaz, the Prime Minister at the time of writing—has in fact been quite critical of EPZ-based industrial policy. Razzaz's *National Employment Strategy: 2011-2020,* written while he was working at the Ministry of Labor, subjects these policies to a withering critique.

Censuring the government's enclave-centered regime of investment incentives, tax holidays and tax exemptions as wholly counterproductive, this document argues that the low value industries supported in the enclaves generate little job creation and TFP gains, while also pointing out the folly inherent to this strategy's support for firms that compete not on the basis of productivity and innovation but instead on the basis of implicit subsidies (i.e. tax breaks as well as subsidies on water, land, and energy), artificial cost advantages, and the temporary special treatment afforded them in certain foreign markets (in the case of garments and the United States). Demonstrating that the firms supported in the QIZs and SEZs receive another implicit subsidy through their ability to access cheap, unskilled foreign labor—the garment industry was even afforded an exemption to the increase in the minimum wage that had been legislated in 2007 (Nesheiwat, p.385)--, the authors also directly connect these misguided industrial policies to the enduring jobs crisis facing Jordanian citizens. Implicating the enclave-based industrial strategy in Jordan's wider failure to transition to a knowledge economy as well, the authors make the case that the state's support for these firms, in conjunction with its inability or unwillingness to nurture enterprises that generate high-skill jobs, has actually implied a degradation of the country's human capital stock: Jordan's creative class is forced to head to the Gulf in search of work while low skilled labor flows in from Egypt and depresses the bottom end of the wage structure even further (see p.46-48, 60-61, 85). While the document calls for a change in policy—though accepting that Jordan's options are restricted by the state's limited fiscal space as well as by the restrictions incumbent upon small open economies more generally, following Rodrik, Chang, and many others, *National Employment* still calls for state interventions well beyond what is sanctioned by the Bank, stumping for government measures to help push investment into R+D and measures to help Jordan defy its static comparative advantage—and though it makes reference to corporatist, bottom-up industrial policy, it precipitated little change in the state's approach. Indeed, despite these critiques—and despite Razzaz himself being named Prime Minister in 2018—the state's EPZ based industrial policy runs the same as it always has.

A Neoliberal Military Industrial Complex

Last but hardly least amongst the state/Palace's elite-oriented interventions in the economy are its efforts in building a (neoliberal) military industrial complex. While it should be acknowledged at the outset that the military's first forays into commercial practices actually preceded the coronation of Abdullah, it was the current King's active promotion of military entrepreneurialism that is almost entirely responsible for this industrial complex's sprawling contemporary form.[498]

Institutionally, Abdullah's militarized industrial policy took shape beginning in 1999 and upon the establishment of the King Abdullah II Design and Development Bureau (KADDB). Charged with providing "a catalyst for the creation of an independent, sustainable, defense industrial base", the KADDB is organized as an autonomous, opaque, and Palace-aligned entity operating both within and outside of the state.[499] The KADDB's Board of Directors—led by the Chairman of the Joint Chiefs of Staff—, for instance, reports directly to the King's private offices; it finances its autonomous operations, meanwhile, by drawing upon both earned income and special allocations earmarked from within the Jordanian Armed Force's annual budget.[500]

Initially, the KADDB's operations were separated across two independent business groups. The first, the Engineering Group, was tasked with developing technologies and products to be sold domestically (i.e. back to the Jordanian Armed forces) and internationally. The second, the Commercial Operations Group, was delegated the task of marketing and sales. While these two groups were successful in building out the foundations of the KADDB's business, it was not until the emergence of the KADDB Investment Group a few years later that Abdullah's military

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498 As Amara (2008) has documented, the foundation of the military as a business actor can be traced to the establishment of the Royal Maintenance Corporations (RMC) in the early 1990s. "Charged with maintenance, overhaul, and limited upgrades of equipment", the RMC primarily engaged in low level design and repair and worked primarily with armored vehicles and personnel carriers (p.141).

499 See: Shana Marshall, "Jordan's military-industrial complex and the Middle East's new model army, *Middle East Report* (267), 2013, pp.43.
The above quote was one given by Shadi Majali, former Chairman of the KADDB.

500 For more details, see: Amara (2008), p.141

industrial complex acquired its current scale and diversity of operations.[501] Swiftly following the Investment Group's arrival on the scene, more than fifteen joint ventures would be agreed to with a variety of domestic and foreign partners. Amongst the most relevant of its international partners, the KADDB has developed particularly close relationships with the UAE-based Bin Jabr group, one of the Middle East's largest arms dealers.[502]

Across its expansion and consolidation, the KADDB has received considerable state support. Beyond benefiting from preferential treatment in the military's procurement process and in addition to the public's financing of its marketing efforts and its biannual defense exhibition (SOFEX), KADDB affiliated businesses are also afforded the same series of tax exemptions and subsidies as are provided in Jordan's Special Economic Zones. When it comes to the Bureau itself, moreover, its operations are located in an Industrial Park whose infrastructure has been financed through the state coffers and whose various laboratories and testing facilities are also subsidized by the defense budget.[503]

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501 Ibid
502 Marshall (2013), p.43
503 Marshall (2013), p.44.

KADDB's Joint Ventures (2008)[504]

Table 5
KADDB joint venture companies

	Ownership	Share(%)	Specialization
Jordan Light Vehicle Manufacturing (JVLM)	KADDB	74.50	Manufacturing and customizing
	Jankel	25.50	of armored vehicles
Jordan Special Vehicle Manufacturing (JSVM)	KADDB		Desert Iris
CLS Jordan	KADDB	48.50	Automotive and electrical equipment
	CLS Middle East	51.50	
Raytech Jordan	KADDB	33.33	Electrical harnesses, systems design
	CLS Middle East	33.34	
	Raytech	33.33	
Seabird Aviation Jordan	KADDB	49.53	Light aircraft
	Seabird Aviation	50.47	
NP Aerospace Jordan	KADDB	49.00	Helmets and body armor
	NP Aerospace	51.00	
Josecure International	KADDB	100.00	Personal and infrastructure security
National Resources Development Company	KADDB	100.00	Service and solutions in security field
Prince Faisal Information Technology Center	KADDB	20.00	Education in IT, embedded systems,
	Yarmouk University	40.00	and softwear technology
	Park Controls	40.00	
Mechanology Jordan	KADDB	49.00	Marketing and sales of military
	Mechanology	10.00	and commercial products
	The Virlean Initiative	41.00	
Sofex Jordan	KADDB	100.00	Exhibit space
Ultimate Building Machines Investment and Development	KADDB	100.00	Steel fabrication and hanger construction
United Jordanian for Technical Consultancy	KADDB	100.00	Consulting services (not active)
United Jordanian Telecom Networks	KADDB	100.00	Technical services (not active)
Applied Defense Systems	KADDB	34.00	Defense electronics (not active)
	Yazan Muft	33.00	
	Amin Bader	33.00	
Jordan Armaments and Weapons Systems	KADDB	100.00	Multi-caliber pistol

Source: KADDB.

504 Table provided by Amara (2008), p.140.

The KADDB and Offset Agreements

Given that much of Jordan's military budget is, for all effects and purposes, gifted by the United States, in building its mini empire, the KADDB has had less opportunities for arranging offsetting agreements with its military suppliers than is typical. A principle that would be well applied in Jordan's other industrial planning ventures, offsets condition a procurement contract with a foreign arms corporation on said corporation's establishment of collaborative, joint investments with the host country. In other words, in exchange for selling Jordan's Armed Forces F-16 fighter jets, a foreign firm would need to *offset* these costs by also setting up collaborative manufacturing projects with Jordan's fledgling military industrial complex (Marshall, 42).

While it has not been possible for Jordan to legislate offsets as a universal condition for doing business in the military/security sector, and while establishing such arrangements is not possible in the case of contracts with US-based companies— the money paying for said contracts has come from US tax payers in the first place; it would be politically unfeasible to impose conditions on those firms as a result—the Palace has nonetheless been able to leverage both its healthy, US-financed military budget and the country's access and proximity to many of the region's reactionary monarchies so to induce non-American firms into offsetting styled agreements. These agreements have typically operated in the following manner: in exchange for procuring a contract for the sale of F-16s or KA-226 Helicopters to the Jordanian government, the firm winning said contract agrees to establish in-country, jointly operated maintenance facilities for those products (Ibid). By these means, as of 2013, KADDB's joint ventures with foreign partners alone had grown to twenty-six (Ibid).

Regarding the economic effects of the Palace's militarized industrial policy efforts, one would have to acknowledge that the KADDB has generated considerable technological transfers, particularly in the domain of IT.[505] That said, as is typical for all military-based efforts of this kind,

505 See: Amara (2008), p.143.
With the post-Arab Uprisings period seeing a partial movement from autocrat-led regional conflict—and the heavy weaponry needed for waging such conflicts—to autocrat-led domestic repression operations, the demand for surveillance equipment, riot control equipment and the like have grown considerably. Having transitioned to a greater focus on goods and services related to internal policing in recent years, KADDB has capitalized on these

it has failed to deliver anything in the way of backward or forward linkages vis-à-vis the civilian economy. Though this may partially be a function of the country's narrow industrial base, it is problematic all the same, especially given the considerable public investment of resources that have gone into the KADDB. Like is the case with Jordan's laissez faire industrial policies, the KADDB has also had a negligible impact when it comes to job creation. Though providing well-paid work opportunities for that segment of the military' work force that is high in skill and education, as of 2005, the KADDB had just 1300 people on its payroll.[506] Finally, one need also note that the government's outlays on the KADDB's budget have generated a smaller effect on GDP than have consumption-oriented forms of government spending.[507]

Turning to the KADDB's elite-oriented effects, however, one sees a far different picture. Granted privileged standing as the Jordanian Armed Force's weapons dealer of choice, insulated from oversight, and subsidized by tax payers, the Bureau has unsurprisingly provided an outlet for rent seeking amongst the military's educated, skilled, and ideologically neoliberal. It has also given host to less oblique forms of corruption. A handful of members from the KADDB board of directors, for instance, have been charged with extracting kickbacks from the various joint ventures that the Bureau oversees. Allegations that revenues meant to finance military pensions

shifting trade winds and moved towards the production of these kind of technologically sophisticated products in particular.

506 Ibid, p.142

507 This too is keeping with expectations of those who have studied military industrialization within developing countries. Such researchers have accumulated significant empirical evidence showing that defense expenditures exert a significantly smaller effect on growth and job creation than do consumption-oriented forms of spending, regardless of the shortcomings that are basic to the latter form of expenditures as well.
See: Jurgen Brauer and John Tepper Marlin, "Converting resources from military to non-military uses", *Journal of Economic Perspectives* (6:4), 1992, pp.145-164.

and wage raises have been redirected into the pockets of individual officers associated with the KADDB's leadership have also been leveled.[508] This second allegation, in fact, played a significant role in precipitating the revolt of the military veterans in 2011. Akram Abu Hamdan, a close ally of the King, has been implicated in much of this, as has the former Chairman Shadi Majali.[509]

Mawared

I have already introduced the second wing of the Jordanian military industrial complex (and some of this organization's depravities) in the context of the previous chapter. To recap, Mawared—or the National Resources Investment and Development Corporation—, a sister project called the Development and Investment Projects Fund (DIP), and a third *planning* body named the Urban Workshop were all legally established as part of the *massacre* of provisional legislation that the King et al dictated during the first years of the new millenium. Though each of these new organizations was nominally placed under the jurisdiction of the already autonomous KADDB, in practice, they were all to be personally directed by the aforementioned Akram Abu Hamdan, who was himself a close associate of the King.[510] Much like the KADDB, Mawared was therefore a pet project of the King and his Royal Court from the very start. Unlike the KADDB,

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508 For more on this, see: Al-Arab News Editorial Staff, "Big corruption in Mawared...why the fear that corruption will implicate the government", January 27, 2012. Available at: http://www.alarrabnews.com/newsView.php?id=34278

509 Debruyne (2013), p.247

510 Ibid

however, this second *autonomous* entity was conjured not for the purpose of arms production and distribution, but rather, for the purpose of implementing a number of urban development projects then being planned for in Aqaba, Amman, Zarqa, and at the Dead Sea. Having been unilaterally assigned the legal titles for vast swaths of public land previously designated as army sites, Mawared unsurprisingly exerted a great deal of influence on the direction these projects took.

I have already discussed the nature of Mawared's operations and business in the context of Amman's urban renewal as well as in the context of Aqaba's speculative boom. Most simply put, the organization's *business model* hinges on its capacity to exchange public lands previously used for military purposes for a stake in the private developments that are to be subsequently built on those lands. How Mawared came to hold the legal deeds for these public lands in the first place, of course, is highly suspect. Regardless, through these exchanges, the organization has been able to insinuate itself into the racket and speculation driving the transformation of Jordan's built environment—and the transformation of Jordanian capitalism as well.[511]

Mawared was capitalized on the Luxemburg stock exchange at a valuation of $1 billion in 2007. Following the many scandals with ASEZA and New Abdali during the 2008-2011 period, however, the company returned to private ownership.[512] Its chairman at the time of writing is Bishir Jardaneh, and the rest of its board of directors similarly reads as a list of the neoliberal,

511 Ibid, p.320

512 Similarly, while the aforementioned DIP Fund had previously traded on the London stock exchange, it too is no longer listed there, and its website is no longer in operation.

Palace-affiliated military elite.[513] Despite being plagued by credible and obvious charges of corruption from the start—and though I have previously detailed how the larger real-estate based grift being perpetuated by the Palace, Mawared, and the transnational capital elite came to be one of the principal grievances driving the protests of 2011—, to this day, Mawared remains one of the largest real estate companies in the country.

Conclusion

If the institutionalization of an insulated, elite-dominated modality of politics and policymaking laid down the juridical foundations for contemporary Jordanian capitalism, the institutionalization of very particular forms of mass-oriented and elite-oriented state intervention in the economy functioned so to bulwark those foundations. Materially articulating and substantiating the misguided ideas and strategies that were initially developed in the *political* domain of the SSA, this system of economic interventionism consolidates and deepens the crisis tendencies and class biases of capital accumulation today.

As I hope this chapter has made clear, from tax, fiscal, and welfare policy to industrial and investment policy, Abdullah's *interventionism* has rewired many of the stabilization mechanisms that had previously held society and political economy together under his father. While the current system of intervention does exhibit some stabilizing properties—specifically, through generating suitable profits for a transnational elite and, to a lesser extent, through providing a

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513 For the institution's leadership, see: https://mawared.jo/Pages/viewpage.aspx?pageID=28

basic level of welfare for certain elements within the working class—, they are far less efficacious than those in place during the 1973-1986 period. Due, in particular, to the retreat (both in magnitude and reach) of the state's mass-oriented interventions, millions of Jordanians now lead highly precarious lives. With little recourse vis-à-vis the state—whether in regards to employment or access to a social safety net—, this precariousness in turn injects a basic, inalienable level of volatility into the wider SSA today. While social control strategies and ideological interventions are typically sufficient in ensuring that this volatility does not translate into fully realized social upheaval, they cannot reduce the risk of existential-type challenges to the political system (or the system of capital accumulation) down to zero. So long as these levels of deprivation and uncertainty remain as high as they are, then, fragility will remain internal to whatever form of stability might temporarily prevail in Jordan.

CHAPTER EIGHT

Institutionalizing oligarchy: Jordanian market competition under Abdullah

By virtue of the elite-oriented interventions in the economy that were described in the previous chapter—in conjunction, of course, with Jordan's unique history of class formation—, this chapter will show how an oligarchic, non-competitive form of market competition has been institutionalized and consolidated under King Abdullah. Demonstrative of how the different domains of an integrated SSA interpenetrate and co-imbricate, I will detail how hollowed, elite-dominated market structures deprive Jordanian capitalism of dynamism and creative energy—further consolidating the crisis tendencies of the economy and further undercutting long-term development prospects in the process.

My analysis of Jordanian market competition will be broken into four sections. In the first, I will review the modality of state-capital relations established under Abdullah and discuss how this relates to the consolidation of Jordan's oligarchic markets. In section two, I will link class history to today's market competition, foregrounding how the fracturing and hierarchizing of the capitalist class also informs sub-optimal market performance. In section three, I will briefly discuss the financialization of the economy and how the hegemony of financial capital similarly contributes to the economy's non-competitive markets. In section four, finally, I will disaggregate the economy on a sector by sector basis, using a quantitative analysis to map market structures and delineate the oligopolistic properties of contemporary competition.

The World Bank and Market Competition (post-Arab Uprisings)
The dearth of competition evinced by Jordan's market economy has, of course, attracted a great deal of attention recently. Hastened by the rupture that was the Arab Uprisings, the World Bank in particular has rediscovered Schumpeterian analysis and put a great emphasis on those variables and processes impeding market driven creative destruction in the Middle East. In the post-2011 period, analysts at the Bank have consistently expounded on the implicit subsidies, protections, and benefits that had been offered to politically connected firms across the past two decades and argued that these privileges have allowed said firms to dominate markets based on artificial, cost-based advantages. By emptying market-based competition of the creative destruction it requires in order to generate jobs, growth, innovation, productivity gains, and growth, Bank economists have posited that these firms—rather than the public sector workers of yesteryear—were the primary spoiler undermining economic liberalization (see: Syed Akhtar Mahmood and Meriem Ait Ali Slimane, *Privilege-Resistant Policies in the Middle East and North Africa: Measurement and Operational Implications* (Washington, DC: World Bank, 2018).
The Bank's evolution on these matters should be celebrated, offering an indication that the institution is beginning to ask some of the right questions when it comes to development in the global south. No longer mystifying the region's stagnation under neoliberal reform and no longer positing this underperformance as a function of either labor market rigidities or of incumbents and their corruptive influence on the reform process, Bank economists have at long last turned the focus towards capital itself and the cronyist formations it has consolidated. That said, the Bank's writings on competitiveness leave a great deal to be desired. To begin, discussions of cronyism have tended to be framed in the abstract. There might be allusions towards the corruptions of *large firms* and there might be vague condemnations of unnamed *networks of privilege* that exploit political connections so to secure favors, monopoly rights, and (implicit or explicit) subsidies; generally insightful as these remarks are, however, they stop well short of any naming of names, firms, actors, and institutions. Given that decades of prior writings at the Bank would lead a reader to assume that the *big firms* being critiqued correspond to the old state owned enterprises (an assumption allowing the private corruptions of *quota coterie* types to skate by unnoticed), this refusal to implicate Jordan's western-leaning compradors in the suffocation of market competition empties the discourse of the substantive content it needs.

(1) State-Capital and Intracapital Relations under Abdullah

Despite the best efforts of the international community, attempts at formalizing and rationalizing business-state relations in Jordan have yet to come to much. Though a host of business associations were midwifed into existence during the 1990s and 2000s—associations, it was hoped, that might more fairly, efficiently, and transparently represent the private sector in its dealings with the state while also more capably partnering with the state as it liberalized the economy and directed development policy—, these organizations have wound up largely ineffectual if not irrelevant.[514]

Foreign Involvement in the Construction of Jordanian Business Associations

Amongst the many interventions undertaken by the international community's in post-1989 Jordan, its efforts in organizing Jordanian business associations have been one of the most consistent (Zimmerman, 2017, pp.153-155). Befitting the neoliberal style that more generally invests the foreign interference of this community in the present day, *boardroom activism* has always been presented as both apolitical and economically necessary. Having asserted that a robust and cohesive private sector is capable of (and interested in) guiding a policy process previously sullied by the incompetence and corruption of state planners into directions conducive not only to corporate interests but aggregate social welfare, healthy business associations are, in fact, promoted as something of a sine qua non when it comes to modern development. As this connects to apoliticism, given the modality of technocracy just sketched, it holds that mobilizing and organizing capital so that it may act as a *class for itself* is not conceived of as a form of political meddling but as a form of economic support. Similarly, it also holds that the denigration of labor unions—for instance, by ceaselessly casting them as incumbent *special interests* poised to undermine (universally beneficent) structural reform so to serve their particularist interests, as the World Bank and US State Department have been want to do—be depicted as rationalist, economistic commentary.

Of all the foreign actors involved in the building of Jordanian business associations and in the quiet class project described above, USAid has likely played the biggest role (Blue Carroll, 270). In the early years of the 1990s, its interventions were primarily operationalized through the Private Enterprise Technical Resources Assistance Project (PETRA). Of PETRA's numerous programs and interventions, it's midwifing of the Jordan Trade Association and Amman World Trade Center best epitomize the subject material being discussed at present. As of the late 1990s, PETRA would be succeeded by a second USAid program titled the Achievement of Market-Friendly Initiatives and Results, or AMIR. Dispensing $946,000 to the Amman Chamber of Commerce, the Amman Chamber of Industry, the Amman World Trade Center, the Business and Professional Women Club, the Jordan Trade Association, and the Young Entrepreneur's Association, it could be argued that AMIR's financial resources underwrote what limited achievements were seen in the formalization of business lobbying during these years (Blue Carroll, 2001, pp.243, 270-271). In addition to Aid's contributions, finally, it is worth noting that the World Bank helped fund and organize the Jordan Economic Development Association, a think tank-lobbying firm designated to push the liberalization agenda as well.

[514] Zimmerman (2017), pp.153-154.

The genealogy of these failures in formalization traces back to much earlier processes of class and state formation. As has been detailed, these processes allowed an elite fraction of the Jordanian bourgeoisie to establish and subsequently maintain a hegemonic intraclass position across the decades. Upon Abdullah's ascendancy to the throne, this position was used to reconsolidate *informal* channels of communication and lobbying—channels connecting these individuals directly to the Palace and its economized political elite and channels which, ipso facto, rendered formalization efforts immediately hollow.[515] Beyond undercutting formalization in this manner, it should be noted that Jordan's *old money* also managed to establish control over those formal business associations that did achieve a modicum of influence within the policy planning process during the liberalization period. First amongst these organizations is the Jordan Businessmen's Association (JBA). At the time of writing, Hamdi Taba'a (Sr.), scion of the country's traditional economic elite, is President of the JBA. The Association's board (inclusive of honorary

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[515] For more on this, see: Moore (2004), Blue Carroll (2001), Chapters 5-11.

Businessmen locked out of the formal and informal networks and organizations through which the Ammani elite articulate their demands have attempted to mobilize their collective interests through establishing both regional chambers and sector-specific syndicates. The most relevant of these regional bodies are the Irbid Chamber of Commerce (http://www.icc.org.jo/index.php?l=en&pg=T1VSIENIQU1CRVI=), the Zarqa Chamber of Commerce (http://www.zarqachamber.org/index.php?lang=ar), and the Aqaba Chamber of Commerce; Rusaifeh, Al Salt, Jerash, Ramtha, al Karak, Ma'an, Ajloun, Mafraq, and Madaba's respective Chambers of Commerce are all more local in nature.

As regards the syndicates—the vast majority of which participate in the Amman Chamber of Commerce—smaller associations and organizations such as the General Association for Foodstufs Merchants and the General Syndicate of of Proprietors of Goldsmith and Jewelry Trade Firms engage mostly in single issue, relatively ineffectual lobbying. The more socially conservative and Islamist-leaning within this *excluded* fraction have opted to mobilize their own lobbying organization through the Businessmen's Prosperity Association. Similarly home to small scale industrialists and petite bourgeois merchants of different stripes, this Association too has consolidated little influence amongst either domestic policymakers or foreign capital. Unable to access or influence the halls of power to any significant extent, these organizations of the non-elite business interests evince the stark segmentation of Jordan's capitalist class, and the power differentials such segmentation affords.

members) features other *legacies* of the Middle East Supply Company such as Isam Bdeir, Mohammed Bilbeisi, Adnan Badran, Aqel Beltaji, Zaid Sha'sha'a, Fouad Qatan, Raouf Abu Jaber, Jack Kayyat, Tawfiq Kawar, and Elia Nuqul as well. The elite fraction of the bourgeois class has also traditionally dominated the Amman Chamber of Commerce (ACC), the American Chamber of Commerce in Jordan, the Jordan Insurance Federation, and the Association of Banks in Jordan.[516]

By virtue of their control over such associations, their successes in establishing informal lobbying channels, and their infiltration of the policymaking process itself, it could be argued that the political and economic power of the elite fraction of the Jordanian bourgeoisie is as great today as at any time in the country's past.[517] Their enduring economic hegemony is most easily discerned through a review of the sprawling, multisector, family-owned conglomerates that many within this fraction own and operate at the time of writing. Having seen the depth and breadth of these businesses, it is my hope that the reader will be better able to see the non-competitive,

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[516] For instance, the Board of the ACC shows another Taba'a (Tareq) in a position of influence (Second Vice Chairman); Bahjat Hamdan, heir of another elite family, is the ACC Secretary General; Nour Jarrar, CEO of Citigroup and long time advisor to the Royal Hashemite Court, also sits on the board. The board of directors for the American Chamber of Commerce in Jordan, meanwhile, includes the same Nour Jarrar and Tareq Taba'a as well as Khaled Kanaan (of Mawared), and Fares Hammoudeh (of the Hammoudeh family agricultural empire).

While financed by USAid and promoted as an institutional home for anti-cronyist business organizing, it is worth pointing out that even Young Entrepreneur's Association has frequently pushed the sons and younger brothers of this same class fraction into senior roles.

[517] Section one of this dissertation detailed the processes through which an elite merchant class initially accumulated unprecedented amounts of capital during the years of World War II. Those chapters also demonstrated how this fraction of the capitalist class has used its wealth so to reproduce its privileged position within Jordanian economy across time.

This history endows contemporary capital-capital relations with many of its most salient properties. Indeed and as mentioned in the previous section, the hegemony of old money remains the orienting principle of today's form of market competition. By virtue of the fact that Abdullah's economization of the policy elite has allowed the old merchant class to wield power directly, it could even be argued that this class fraction's hegemony has grown in the modern period.

oligarchic nature of Jordanian markets. I should say at the outset that it is, of course, difficult to establish the exact scale and influence of these businesses. As these conglomerates are typically organized through a single, privately held holding company—a company under no obligation to disclose data regarding its capital holdings, revenues or profits—, one cannot simply look through the books so to discover their market capitalization or annual revenue streams. Nonetheless, as the majority of these enterprises do provide general information regarding their assets, investments, and corporate structure[518], it is still possible to acquire a decent sense for their operations.

The Kawar Group

The Kawar Group—stewarded by former ECC member Karim Kawar—operates a massive, multisector empire. In shipping, transportation, and logistics alone, their holdings include the Amin Kawar & Sons Shipping and Transportation Company, the Red Sea Shipping Agency, the Aqaba Shipping Company, Manara Shipping, Pacific International Lines Jordan, Gulf Agency Company, and Maersk Jordan. In the domain of ICT, its holdings include Optimiza (a tech consultancy), Iris Guard (and iris recognition software used in the UAE's airports), and D1G (a search engine). The Kawar Group also maintains a controlling stake in Al Faris National Company for Investment & Export, the first publicly traded ICT firm on the Amman Stock Exchange.

518 Regarding structure, it is worth noting that many of these holding companies demonstrate both horizontal and vertical integration. The vertical dimension—specifically, the operation of in-house finance and insurance arms—tends to facilitate the horizontal one, allowing a holding companies to provide capital and secure it against loss across a vast array of industries stretching from energy, IT, luxury imports, logistics and transportation to health and pharmaceuticals to real estate and tourism-related investments.

On the imports and exports front, Kawar International serves as the family's organizing hub. The Kawar family has also branched into the health sector. Herein, NatHealth, a web based health systems platform, and Advanced Medical Equipment represent their most significant assets. More miscellaneously, it is worth noting that the Kawar Group has also partnered directly with the royal family (more specifically, with Queen Rania) through Rubicon, an educational entertainment media company. The family has also dabbled in the hospitality industry with Crumz, a high end bakery and restaurant in West Amman; major real estate investments in Jabal Amman through Al-Asreyah Real Estate; renewable energy through Shams Ma'an; and in integrated business communications software through Express.

Ranco Holdings (Mu'asher family)

The Mu'asher family's businesses are principally organized through Ranco Holdings.[519] Nadim Mu'asher is Chairman of the Ranco board, and Shaker Mu'asher is the firm's managing partner. At the time of writing, Ranco's investments extend across hospitality and tourism, banking and financial institutions, industry, trade, renewable energies, real estate, agriculture, media, and design. Most prominent amongst these investments, Ranco is a strategic shareholder in Arab International Hotels Company (owner of the Amman Marriot), the Business Tourism Company (Owner of the Jordan Valley, Dea Sea, and Petra Marriots), and al Dawliyah for Hotels & Malls (which is the owner of the Sheraton Hotel in Amman). It is also a major shareholder in (the

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[519] Certainly, it should be said that the Mu'asher clan does not operate as a single, unified actor in the business world. It is a very large family, and there are a number of competing Mu'asher enterprises in the retail space in particular.

Kuwait-backed) Ahli Bank and in the Jordanian Investor Centre. Finally, Ranco holds significant equity in the former QIZ-based (now Special Economic Zone-based) Ez-Zay Ready Wear Manufacturing Company as well as in a second, SEZ-based garment manufacturer.[520] Long one of the country's largest landowners, the Mu'asher family also owns and operates export-oriented citrus and date farms. In commercial and residential real estate, finally, Ranco's investments are directed through a subsidiary called Al Izdihar.

The Talhouni Group

Another legacy property of a quota coterie family, the eponymously named Talhouni Group owns and operates eight different companies at the time of writing. One of the key players in Jordanian *big agriculture,* the Talhouni's Modern Feed Mills and Ground Flour Mills of Zarqa are in the business of diversified cereal processing.[521] In hospitality and residential real estate, the Group controls four independent entities: Knight Kapital, Innovative Creations for Investments, ODD Intelligent Connectivity and Oussoul Investments. The latter is a project of one of the family's younger members, Faris al Talhouni, and its portfolio tends towards commercial real estate as well as towards the banking and insurance sectors. Like all the old guard, the Talhouni Group also retains a foothold in the import/export game through Najad Trading.

In a classic instance of intrafraction collaboration, finally, the group's Modern Fashion Design operates as a uniform provider for all of Jordan's major international hotels, inclusive of

[520] The Jordan Worsted Mills Company.

[521] Prior to the cessation of the state subsidy on bread in 2018, these firms had been major beneficiaries of the state's wheat interventionism.

the Marriot, Crowne Plaza, Kempinski, Intercontinental, Sheraton, Grand Hyatt, Four Seasons, Millenium, the majority of which are owned by another member of Jordan's quota coterie class fraction.

AbuJaber Investments

Abujaber Investments, established in 1944, represents another classic institution of quota coterie capital. The firm combines direct holdings with strategic investments and has a finger in industries as disparate as telecommunications, real estate, finance, pharmaceuticals, hospitality, and insurance. Most important to its portfolio, Abujaber Investments holds a significant stake in the Aqaba-based, ASEZA overseen Tala Bay Resort. In addition, it holds substantial equity in Investbank, a publicly traded investment bank; Dar al Dawa, one of the country's largest pharmaceutical companies; the Radisson Blu Amman; the media corporation Audio Visual Media; the United Insurance Company; as well as the Jordan Paper and Cardboard Factories Company.

The Mango Group

Formed in 1927, the Mango Group contains an investment arm with wide ranging strategy holdings as well as five fully owned subsidiary companies: HIMCO, HAMCO, Mango Real Estate, Easy Storage, and Majdal. Regarding the subsidiaries, HIMCO, an industrial engineering firm whose business has generally depended upon the procurement of government-issued servicing contracts, represents the original cog around which the rest of the Mango family conglomerate was subsequently built. Amongst the many lucrative public contracts that have been procured by

HIMCO, it has been delegated to build telecommunications systems, to service power generation systems, and to provide excavation services for the Jordan Petroleum Refinery Company, Queen Alia International Airport, the Jordan Cement Factories Company, the Jordan Phosphate Mines Company, and the Arab Potash Company.

Second amongst the subsidiaries, HAMCO has stayed within the parameters of household appliance manufacturing, another of the Mango families original fields of business. The third, Easy Storage, does precisely what its name suggests. The fourth, Mango Real Estate, is principally invested into the old balad of Amman and on the airport road. The fifth, Majdal, produces organic olive oil for domestic and international markets. Importantly, the Mango group also holds major investments in the Lebanese Investment Bank Societe Generale Banque Liban; Arab Building Materials Company—one of the largest importers of steel and timber in Jordan—; al Nisr al-Arabi (one of the leading, publicly traded insurance firms in the Jordanian market); a Swedish owned solar cell manufacturing company called Midsummer; and a media platform called Magine TV, which provides a wireless, cloudbased television platform.[522]

Nuqul Group

The Nuqul Group, yet another property with a lineage tracing back to the quota coterie, controls thirty-one separate companies at the time of writing. Its capital holdings largely derive from the family's traditional field of business—paper and hygienic products. At the time of writing, in fact, FINE Hygienic Holding—one of the largest firm in the facial tissue, toilet paper,

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[522] For more, see:http://www.mango-grp.com/index.php/our-investments

kitchen towel, and diaper market in the Middle East—persists as the central pillar of the Nuqul Group's wider business empire.

By consequence of Ghassan Nuqul's leadership—a former member the Economic Consultative Council and a former Director of the Jordan Businessmen's Association—, the Group is now also heavily invested in banking, insurance, automobiles, and real estate. Specific to automobiles, Nuqul Automotive is the exclusive distributer for the majority of German-made cars, including Porsche, Audi, and Volkswagen. It also holds an import monopoly for Skoda. Specific to banking and insurance, Ghassan Nuqul is the Chairman of both Capital Bank and Delta Insurance.

The Manaseer Conglomerate

A more recent entrant into the Jordanian economic elite, the Jordanian-born, Russian-educated Ziyad Manaseer built a fortune as a construction magnate with close relations to Gazprom and Rosavtodor, the federal agency directing road construction in Russia.[523] Leveraging his close relations with the Russian energy sector, Manaseer went on to found the Jordan-based *Manaseer Oil & Gas* in 2003. Operating at least than sixty-eight gas stations across the country at the time of writing, *Manaseer* holds a privileged position within one of the economy's most non-competitive sectors.

Much like the other members of this elite class fraction, Manaseer has also established an investment group (*Manaseer Group)* to facilitate cross-sector acquisitions and so to organize/consolidate a business empire touching nearly every aspect of the contemporary

[523] He has since sold his shares in the construction firm he founded (Stroygazconsulting).

economy. In addition to the oil and gas firm discussed above, the *Manaseer Group's* current holdings and properties extend across infrastructure and building materials[524], mining[525], business solutions[526], food and services[527], and chemicals.[528]

The Sabih Masri Empire

Finally, while not organized through a single integrated holding company model, this section would be incomplete without a brief survey of Sabih Masri's vast business empire. Within the banking sector, Masri is Chairman of Arab Bank, the largest private entity in the Jordanian economy and a firm which he holds 11% equity in. Masri is also a major shareholder in the Cairo-Amman Bank where his son, Khalid Sabih Masri, sits on the board of directors.

Regarding the financial sector more generally, Masri owns and operates operates two private investment houses. The first, the Saudi-based Arab Supply and Training Company (also known as the Astra Group), most resembles the holding companies of the other *big* Jordanian families. The foundation of Masri's personal business empire, Astra holds either substantive

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[524] Here, the group's holdings include Manseer Ready Mix, Manaseer Iron & Steel, Manaseer First (cement and concrete), Manaseer Cement Industry, the Trust for Concrete Industries Company, and Manaseer Marble & Granite.

[525] Here, the group's principal holding is Manaseer Crushers.

[526] Here, the group's holdings include Manaseer Trade (mostly operating in industrial chemicals and fertilizers), Manaseer Information Technology, Manaseer Invest (which controls majority equity in the publicly traded Afaq Holding for Investment and Real Estate Development Company), Manaseer Transport, Visions Maintenance and Spare Parts, Manaseer Machinery Trading, and Manseer Import and Export (focused on oil and lubricants).

[527] Here, the group's holdings include Manseer Food Industries (primarily focused in olive oil), Manaseer Dates, and Lumi Market (a network of grocery stores).

[528] Here, the group's holdings include Manaseer Magnesia, Manaseer Carbonate, and Manaseer Fertilizers and Chemicals.

equity holdings or full ownership in companies operating across the Middle East and across the domains of construction and mining, energy, financial services and investment, food and agriculture, health care and medicine, real estate and hospitality, media, plastics, chemicals, steel, telecommunications, and plastics.[529] Astra's fully owned subsidiaries include the following enterprises: Astra Construction, Astra Mining, Al-Anmaa for Construction Materials, Astra Energy, Nour Energy, the Palestine-centric Padico Holding Company, Astra Food Company, Golden Wheat Mills Company (Ramallah), Vegetable Oil Industries Company, Jordan Vegetable Oil Industries Company (maker of al-Ghazali olive oil), South Agricultural Company, Mais Irrigation, Rum Agricultural Company, Tabuk Pharmaceuticals, Astra Healthcare Solutions, El Kendi Pharmaceuticals, Mais Meidical Company, Cordoba Oasis Village Compound, Al Hamra Oasis Village Compound, Ayla Oasis Development Company (Aqaba), Tabuk Investment and Tourism Company, Al Ayyam Press, Astra Polymers, Agricultural Plastic Industrial Company, Astrachem, Al Tanmiya Steel, International Building Systems Factory, Cicon Building Materials, Nour Communications, Paltel Group (one of the oligopolistic firms in Palestinian mobile tech), and Vtel. As one has likely surmised, Astra is, then, a rather staggering, multisector monolith with a hegemonic position within nearly every sector and market in the Jordanian economy.

The second of Masri's private investment houses is al-Masira Investments Company, a far more boutiquey (and opaque) operation. Public trading information indicates that it al-Masira holds 31% equity in Zara Investment Holdings as of 2019. Recall from chapter six that Zara was

[529] In addition, Astra holds substantial equity in the Saudi-based Fahad bin Sultan University and Fahad bin Sultan Hospital.

heavily involved in the urban renewals of both Aqaba and Amman.[530] By most calculations, it is the largest and most influential developer/real estate speculator in Jordan today.

The Quota Coterie and the Silicon Wadi

Finally, before closing on the enduring hegemony of this elite fraction within the Jordanian capitalist class, I would be remiss were I not to mention how these same families have also established their collective dominance over the emergent Jordanian tech scene. Indeed, not withstanding the bootstrapping mythos and the meritocratic airs that technology-based entrepreneurialism tends to coat itself in, in Jordan, these are legacy fields through and through. The aristocratic properties of Jordan's ICT sector has held steady, moreover, across both of the modern tech revolutions: the dotcom boom of the 1990s and early 2000s, and the uberization boom of the early 2010s.

Specific to the first period, the principal protagonists acquiring power, influence, and capital in Jordan were Karim Kawar, Samih Toukan, and Hussam Khoury. Scions of the old guard, each managed to leverage inherited wealth, access to the Palace, and connections with transnational capital so to Arabize internet businesses initially pioneered in the United States and Europe—earning themselves massive profits in the process.[531] The representatives of old money

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[530] The Astra Group is a major equity holder in Zara as well.

[531] Toukan and Khoury, of course, famously earned hundreds of millions through the sales of maktoob.com to Yahoo in 2000 and of souq.com to Amazon in 2017. At the time of writing, they steer their own venture capital firm (Jabbar) in addition to sitting on the boards of all the various entrepreneurship bodies being promoted by the Palace. Beyond serving on the ECC, as an Ambassador, as a consultant to the King, and as President of his family's Kawar Group, meanwhile, Karim Kawar is also Director of Oasis 500 (a tech-focused venture capital firm) at the time of writing as well as being a board member for the Optimiza consultancy discussed earlier.

have also reaped the benefits derived through the *uberization* of the technology sector. Many of these individuals operate out of Dubai, which is at the heart of the region's speculative, tech-related venture capital space. Most prominent amongst them, perhaps, are Khaled Talhouni and Fares Ghandour (son of Aramex founder and confidant to the King, Fadi Ghandour). The two young men are managing partners at Wamda Capital, one of the *forward leaning* investment firms frequently celebrated by regional and western press. Leveraging their inherited wealth, Wamda has acquired major stakes in many of the Middle East's hottest tech products, including Careem. Though these products often demonstration a penchant for plagiarism more than innovation—Careem, for instance, is a ridesharing service app modeled closely on those of Uber and Lyft—, their presence in the Arab market still makes them incredibly valuable. When Careem was eventually bought out for $3.1 billion by Uber in March of 2019, Wamda walked away with a major piece.[532]

In addition to these investor-types, a number of other young, quota coterie-aligned Jordanians have also moved into senior managerial positions with the regional offices of US-based tech companies. Hamdi Taba'a, for instance, who is the great grandson of the first president of the Amman Chamber of Commerce, has managed to leverage relationships within the circuits of transnational capital so to secure himself the post of Uber's head manager of business in the

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Rather absurdly and as was mentioned previously, it was Kawar who used his position on the ECC and his influence over the e-school REACH initiative to secure a previous company of his, Ideal Group, the exclusive contract for computerizing Jordan's thousands of classrooms.

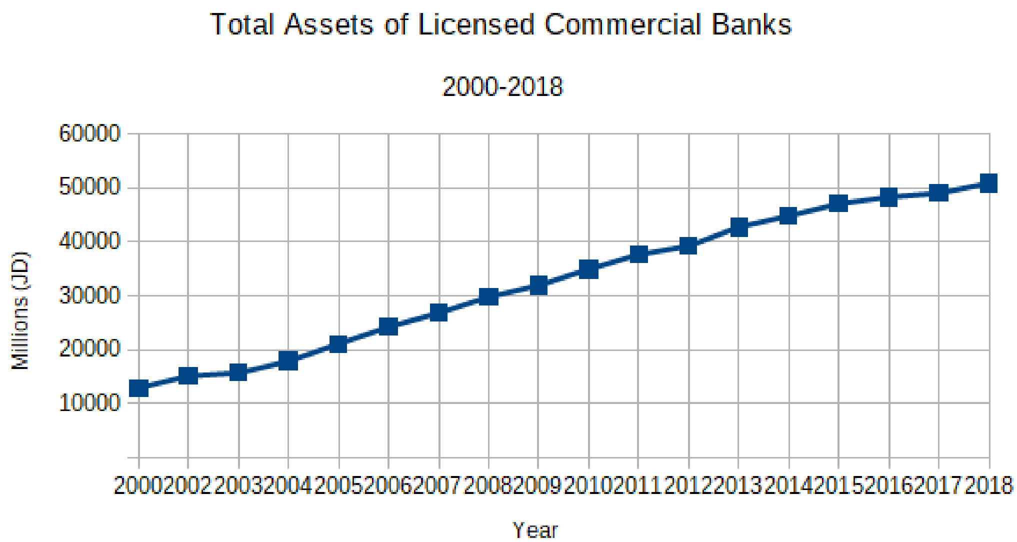
[532] In a way, Ghandour and Talhouni benefit from a business that is not so different from the import-based economy their forefathers won their wealth through: by controlling internal markets for externally generated services in much the same way as previous generations controlled internal markets for externally produced automobiles, they extract substantial earnings.

Levant and Gulf.[533] Through similar processes, Samir Asfour, another legacy child, has wound up Tesla's Regional Director for the Middle East, GCC, and Turkey.

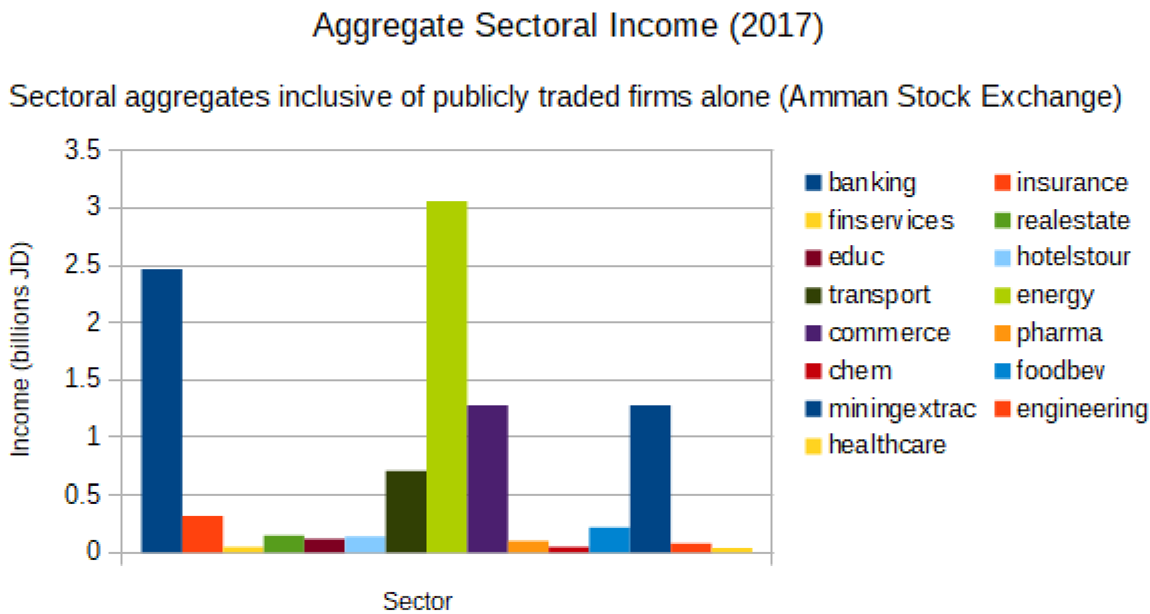
(3) Financialization

Before proceeding to my sector by sector quantitative market analysis of the Jordanian economy, the last variable that needs to be emphasized in explaining Jordan's non-competitive, elite-dominated form of market competition concerns the wider financialization of the economy. Between 2000 and 2018, the total fixed assets of Jordan's licensed banks has roughly quadrupled, increasing from JD 12,913 million to JD 50,893 million. When compared to paltry growth rates seen in the aggregate (as reflected in national GDP) and at the level of individual sector performance, the relative effect of this expansion is even greater.

[533] Mohamad Jardaneh, another legacy child—albeit one of Transjordanian, political stock—, has also acquired a senior post with Uber.



The hegemony of the financial sector vis-à-vis the rest of the economy today can be seen through a number of different measures. If one were to look at market capitalizations on the Amman Stock Exchange, for instance, one would see that as of March of 2019, the banking sector alone constituted 58% of aggregate capitalization. Add in the financial services companies and that percentage grows to 63%. With the exception of energy sector (which is grossly unprofitable), a comparison of the banking sector's aggregate annual income to the aggregate annual income of the other sectors of the Jordanian economy reveals a similarly skewed picture.



Data provided by Amman Stock Exchange

More notable, perhaps, than the banking sector's generalized dominance of the economy—financial capital is, after all, ascendant across the vast majority of the world's economies—is the *particular* dominance of Arab Bank. At the time of writing, Arab Bank's market capitalization constitutes 41.6% of the banking sector's total capitalization, and a shocking 24.2% of the stock market's aggregate capitalization. By its sheer size alone, then, this is an entity whose basic existence renders free competition something of a farce.

When one surveys Arab Bank's most prominent stakeholders as well, it seems very possible that the Bank's magnitude is not the only variable exerting anti-competition effects. The

Bank's Chairman is the aforementioned Sabih Masri[534] and its most significant equity holders include Saudi Arabia's Ministry of Finance; individual Saudi-based investors like Muslim bin Ali Muslim and Nasr al-Rashid; institutional, state-backed investors from Bahrain, the UAE, and Qatar; the Jordanian state (as represented by the Social Security Corporation's 17% equity stake); the Shoman Foundation; and a handful of individuals drawn from the elite fraction of the domestic capitalist class. Integrating much of the Hashemite coalition as this list of board members and/or strategic investors does, there are reasons for assuming that Arab Bank's continued prosperity will be privileged as a matter of *national interest.*

(4) Sectoral Market Structures

To give some indication of the extent to which these processes have undermined Jordanian market competition, I will now provide a simple, sector-by-sector survey of the country's market structures.

Operationally, as mentioned in the introductory passages to this chapter, I have focused here on publicly traded firms alone. I should also mention that I have opted to organize this analysis by disaggregating the various markets within the Jordanian economy according to the sector classifications through which the Amman Stock Exchange divides the market. As for the metrics used to determine a market's structure, I have measured individual firms' annual income and market capitalization against the sector's total annual income and market capitalization. By

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534 Masri personally holds roughly 11% equity in Arab Bank.

considering both of these measures, I believe this analysis can accurately establish the number of relevant firms within any given sector and the relative weight/power of each firm within a sector. Viewed in combination, these figures should provide an accurate description of the structure and nature of market competition within each sector of the economy.

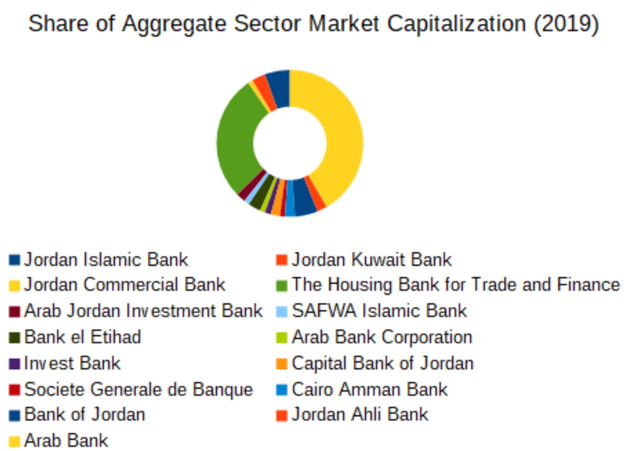
Clearly, there are some methodological problems with mapping sectoral market structures in this manner. By only including publicly traded firms, for instance, my analysis excludes a number of multinational corporations and a number of privately owned domestic firms, many of which have represent significant players in the contemporary economy. Excluding such firms constitutes a confounding omission. Ultimately however, it is an omission that is unavoidable. As there is no way of gaining access to revenues, assets, or profits data for privately-owned firms—and as it is extremely challenging to isolate and parse this same data when it comes to the Jordan-specific business of multinational corporations or those firms traded on foreign stock exchanges—there is no way of feasibly and quantitatively determining what these actors market share might be within a given sector. This being the case, for reasons of methodological expedience more than analytical insight, I have had to proceed without them. In an effort to (partially) account for the effects derived from their exclusion, in those sectors, like mobile communications, where prominent privately owned firms are of a scale as to exert a major influence on the market, I will attempt an estimation of their market share based on open source data.

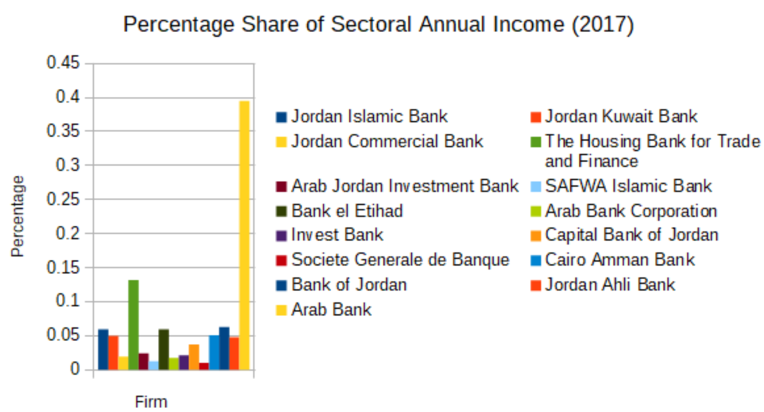
Finally, before proceeding, I should also acknowledge that my sector by sector breakdown will not review the market structure within the domains of education, media, utilities and energy, paper and cardboard, printing and packaging, and electrical industries. My reasons for excluding these sectors are multifold. For some—such as media, printing and packaging, paper and cardboard, and tobacco and cigarettes—, only one or two firms are listed on the ASE. This being the case, those sector's duopolistic or monopolistic market structures are self-evident. For others, such as education, the business being done is so small and the number of actors being excluded from the picture so large (very few private educational institutions are publicly traded) that analysis of an ASE-based market structure will do little to enlighten the reader. Given that the utilities and energy sectors are primarily dominated by regional monopolies (as discussed in the section on privatization) and that these de facto monopolies do not compete with one another (apart from in trying to win a government license/contract), finally, it makes little sense to conceptualize them as constituting an integrated market structure. As the vast majority of Jordan's largest private enterprises are publicly traded—and as I have already accounted for the market impact of privately held holding companies in the previous sections—, however, it is my hope that in the end, my ASE-centric analysis will still provide the reader with an accurate picture of market structure at the time of writing.

Banking

As previously discussed, Arab Bank is the largest single actor in the Jordanian economy. Mostly by consequence of this fact, the market structure of the banking sector can be deemed an oligopolistic one. As is detailed in the graph below, Arab Bank's market capitalization as a percentage of total market capitalization in the Banking Sector stood at 41.6% as of March 2019; its revenues as a percentage of total banking revenues, meanwhile, reached 39.5% in 2017, the last year for which annual data was available.

The second largest player in the banking sector is The Housing Bank for Trade and Finance (HBTF). HBTF's market capitalization ratio at that same time was 27.7%, and its percentage of total revenues was 13.2% for 2017. Beyond these two firms, a handful of other actors are worth mentioning. In terms of market capitalization, Jordan Islamic Bank and the Bank of Jordan each represent approximately 5%, respectively, of the total market. More relevant vis-a-vis flows than stocks, meanwhile, Jordan Ahli Bank, Cairo Amman Bank, Jordan Kuwait Bank, and Bank el Etihad all grabbed themselves between 4.5-6% of the total revenue pie in 2017.

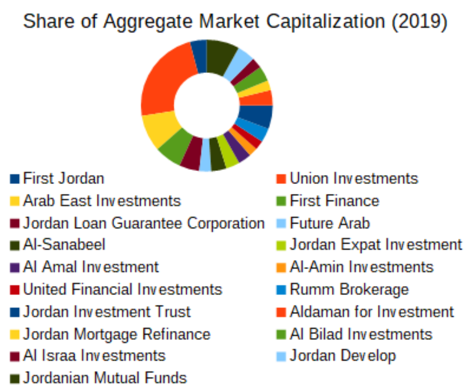


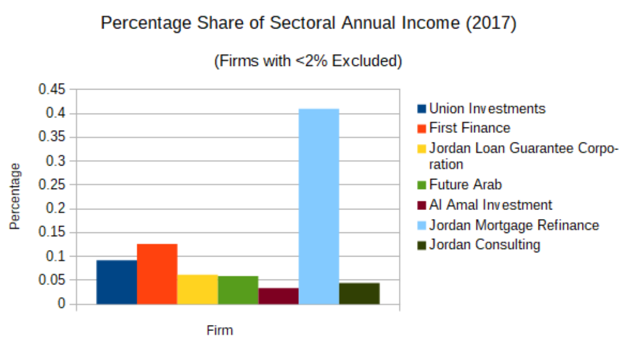


Financial Services

The market structure of the financial services sector approximates a hierarchical duopoly. On top is First Jordan, which represents 65.1% of aggregate capitalization. Union Investments represents the junior partner in this duopoly, constituting 7.8% aggregate market capitalization. No other actor contributes more than roughly 3%.

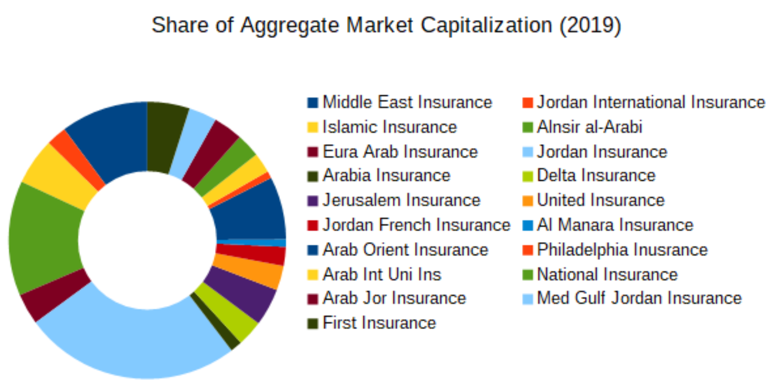
Not withstanding the anti-competitive effects generated by this duopoly, it is worth recognizing that this unbalance in market capitalization has not resulted in an unbalanced distribution in revenues (at least in recent years). First Jordan's revenues were nearly halved between 2016 and 2017, and now comprise a mere 1.5% of the sector's annual total. Making the biggest mark in term of revenues (if not at all in terms of capitalization) are the Jordan Mortgage Refinance Company, a quasi-SOE whose income represented 41% of the sector's total for 2017. Trailing behind it is First Finance, whose income contributed 12.6% to that total.

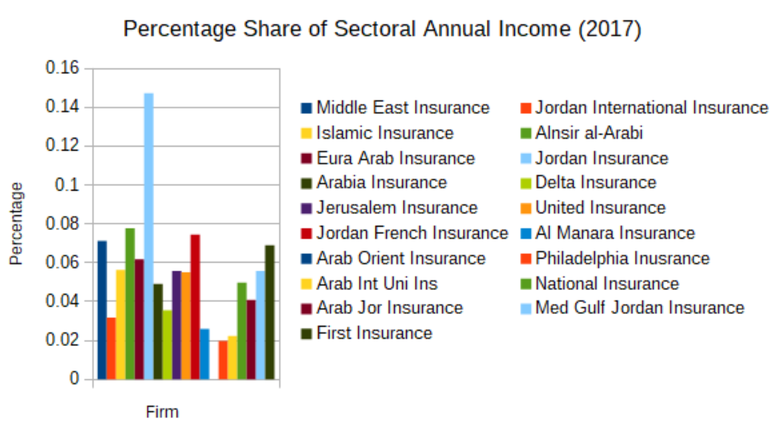




Insurance

The market structure for the insurance sector is considerably more balanced and competitive than what is seen in the banking and financial services sectors. Three large firms— Jordan Insurance, Al Nasir al Arabi, and Middle East Insurance—do operate from a position of dominance, comprising 25.3%, 13.4%, and 10.2% of the sector's market capitalization and 14.7%, 7.7%, and 7.1% of 2017's aggregate annual revenues, respectively. Their collective market share, however, is not so large as to allow price fixing or other similarly noncompetitive maneuvers. With another ten or so firms thereby able to hold firm in terms of revenues and capitalization, the insurance sector is one of the more competitive ones in the Jordanian economy.





Real Estate

In previous chapters, I have detailed many of the privately run firms in the real estate sector. I have also emphasized the gravity that a number of Gulf-based developers have acquired across the wider geography of the built environment. Before proceeding to a review of the market structure governing the relations between publicly traded firms, then, I believe it is important to emphasize that such a review, prima facie, omits many of the most influential enterprises in this field. Were one's mapping of the market structure to include Mawared, al-Maabar, Eagle Hills LLC, and Saudi Oger, a far different picture would emerge.

Be that as it may, if one is to deal with the market structure of domestically traded publicly-owned firms alone, one need first begin with AFAQ Holding for Investment and Real Estate Development.[535] This firm represents 23% of market capitalization and a shocking 63.4% of 2017's aggregate revenues. Flanking this hegemon are Union Land Development (20.2% market cap, 2.1% revenue), Taj Tourist Company (8.7% market cap, 9.9% 2017 revenue), and Masaken (9.3% market cap, 0.4% revenue). In view of the total real estate sector—inclusive of public and private companies—, I believe it is appropriate to classify the market structure as oligopolistic. Should restrictions on FDI be lifted in the years to come, moreover, there are grounds for anticipating a total Gulf-takeover of the sector.

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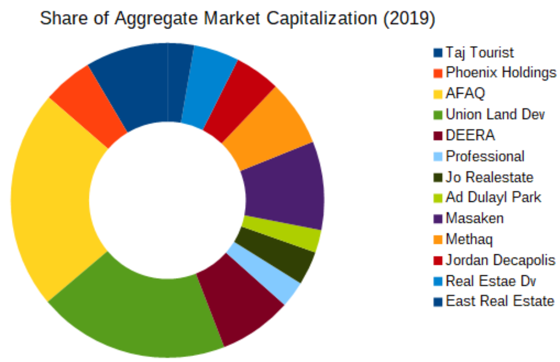
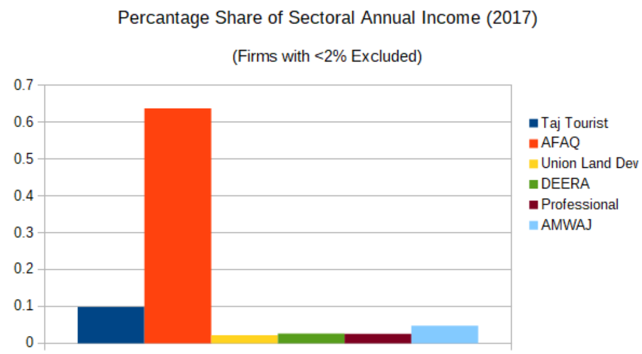
535 Ahmad al-Manaseer, a magnate in the energy field, holds roughly 70% of the equity in AFAQ.



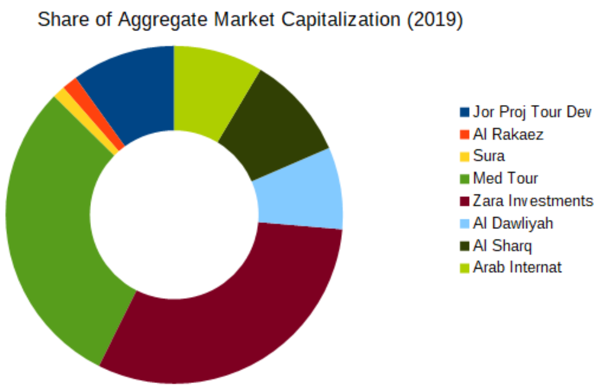
Hotels and Tourism

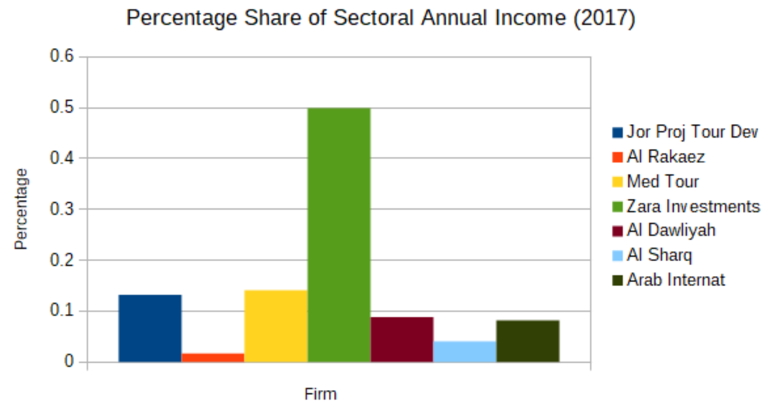


The market structure in the hotels and tourism sector is best classified as a two-tiered oligopoly. In the first tier stand Zara Investments (a Sabih Masri-owned venture) and Mediterranean Tourism Company, which represents 30.9% and 30.0% of market capitalization, respectively, as well as 50% and 14.1%, respectively, of 2017's aggregate revenues. In the second could be grouped Jordan Project Tourism Development Company (9.9% market cap, 13.2% 2017 revenues), al-Dawliyah Hotels[536] (7.9% market cap, 8.9% 2017 revenues), and Arab International Hotels (8.6% market cap, 8.2% 2017 revenues), and Al Sharq (9.9% market cap, 4.1% annual revenues).

As the references to the Masri and Mu'asher families intimate, it is worth emphasizing that the hotels and tourism sector, like the Banking sector, remains a preserve of old capital.

[536] Recall that al-Dawliyah is an asset of the Mu'asher family.

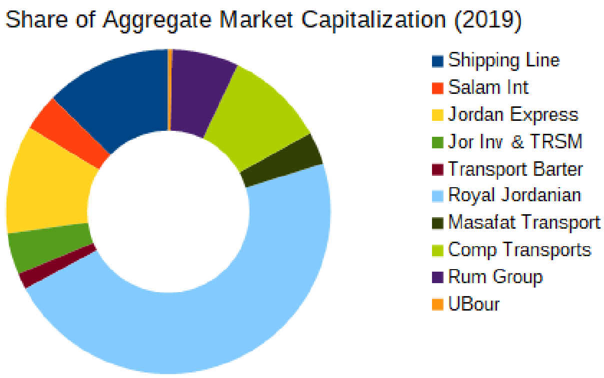


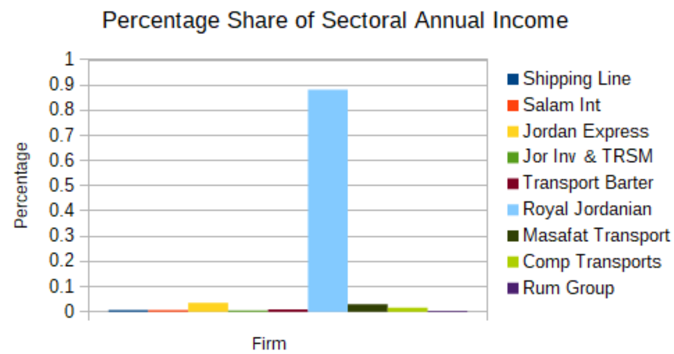


Transportation

Excluding Royal Jordanian, a firm that holds a domestic monopoly on air travel and whose revenues would constitute 88% of the total were they to be included, the market structure for transportation is fairly balanced and competitive. In terms of market capitalization, Shipping Line, Jordan Express, Comprehensive Transports, and the Rum Group all hold relatively even portions of market share. While competitive as regards capitalization, it should be acknowledged that Jordan Express' 2017 revenues were approximately 5x the revenues of Shipping Line and

Salam International, and nearly 10x those of Rum Group. Their closest rival in terms of revenues, in fact, was Masafat Transport, whose market capitalization was only about 20-30% of the other actors.



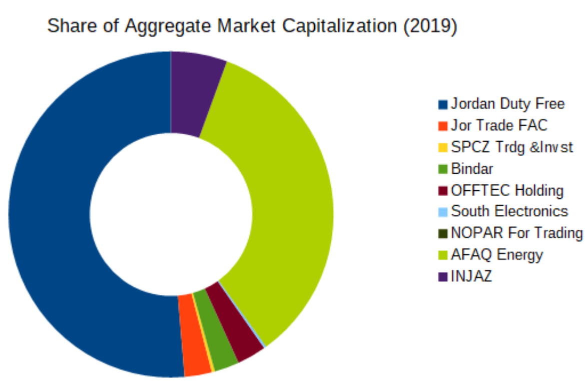


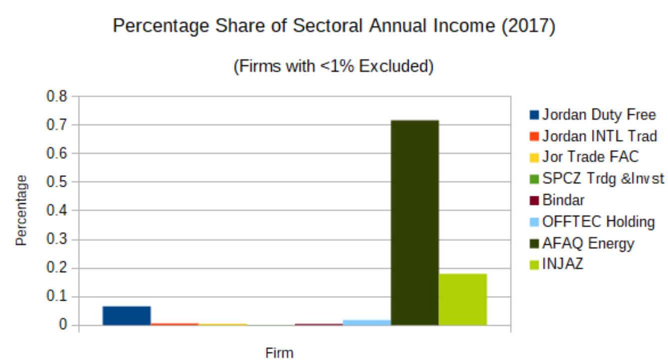
Mobile Communications

Many of the largest players in the mobile communications market—and Umniah Mobile and Zain Mobile in particular—are not listed on the Amman Stock Exchange. This being the case, mapping the market structure solely on the basis of publicly traded firms would give the reader a highly distorted picture. While it is difficult to compare the revenues and market valuation of those firms not on the ASE to the one behemoth that is listed there—Jordan Telecommunications Company, under whose charge the mobile communications firm Orange Jordan operates—, one can compare firms based on their mobile phone subscribers and thereby get some kind of sense for the market structure. As of the first quarter of 2016, the Kuwaiti-owned Zain Jordan posted 4.94 million subscribers, Orange Jordan posted 4.59 million, and the Bahraini-owned Umniah posted 4.55 million. No other firm competes in the mobile telecommunications market. This being the case, the market structure for mobile communications can be classified as oligopolistic (and a particularly balanced one at that).

Commercial Services

The Amman Stock Exchange lists ten firms within the commercial services sector. As their businesses are very different in nature—ranging from import/export companies to AFAQ Energy[537]—delineating the market structure within such a *sector* will not provide much insight into the nature of market competition. That said, it is worth acknowledging that if one were to accept the ASE's classificatory criteria and thereby accept that this collection of firms does represent a coherent sector of the market, one would also have to acknowledge that this a sector organized according to a duopolistic market structure dominated by Jordan Duty Free (50.1% market capitalization, 6.6% 2017 revs) and Afaq Energy (34.2% market cap, 71.8% 2017 revs).



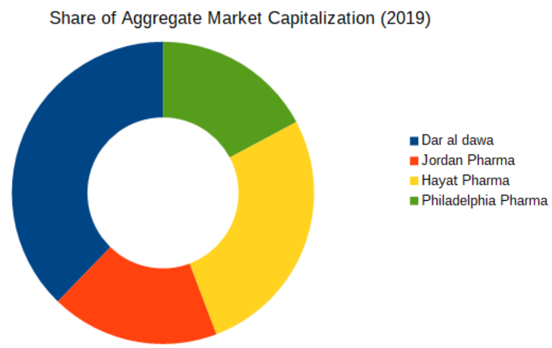


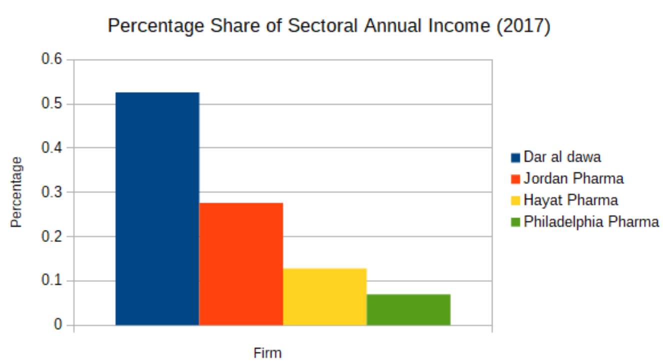
Pharmaceuticals

The market structure for pharmaceuticals is oligopolistic though balanced in nature. Four firms are traded on the ASE, the smallest of which comprises 17.2% aggregate market

537 AFAQ Energy is also an asset of the Manaseer family.

capitalization and 7% of aggregate annual revenues. The largest and most powerful of these firms is Dar al Dawa[538], which represents 37.8% total market capitalization and which generated 52.6% of the sector's 2017's annual revenues. The Social Security Corporation retains a majority stake in Dar al Dawa at the time of writing. Jordan Pharmaceuticals and Hayat Pharmaceuticals represent the second two largest actors in the sector.

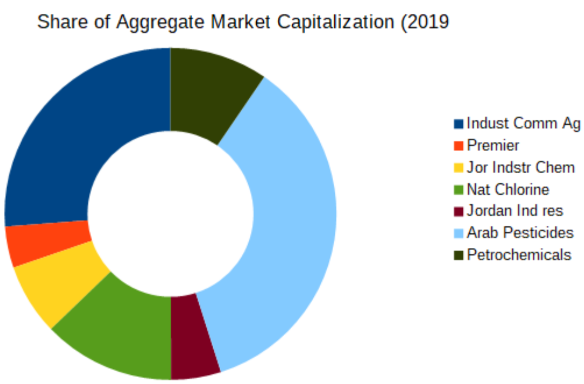


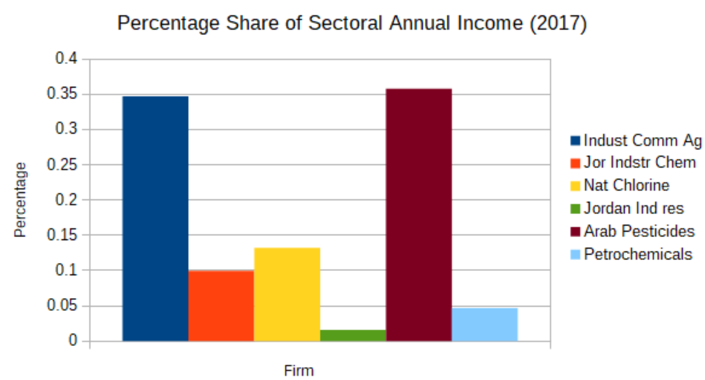


Chemicals

538 Akram Abdul Latif Jerab is the Chairman of Dar al-Dawa. He is also Chairman of Al-Quds Bank. The firm's other strategic investors include the SSC, AbuJaber Brothers Company and the Jardaneh family.

The chemicals sector is also oligopolistic in nature. Arab Pesticides constitutes 35.6% of total market capitalization and generated 35.8% of 2017's annual revenues. Following closely behind, the Industrial Commercial and Agriculture Company represents 26.2% of market capitalization and 34.7% of aggregate revenues. Beyond those two, a number of smaller firms comprise between 4 and 10% of either of our two measures, respectively.

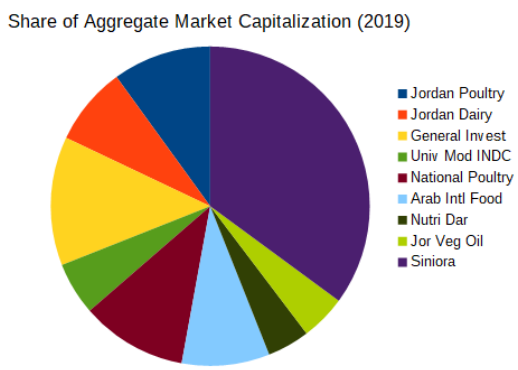


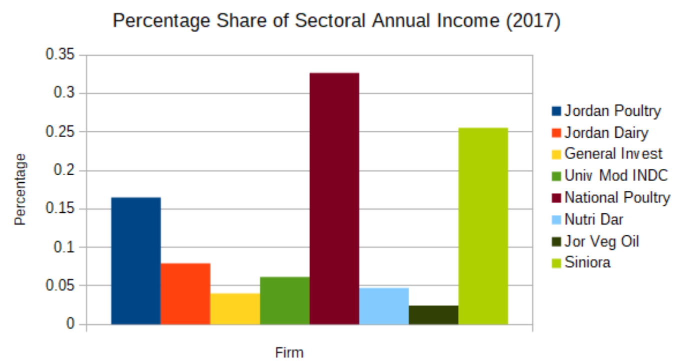


Food and Beverages

The market structure amongst publicly traded food and beverage firms is best classified as a hierarchical oligopoly. On top is Siniora, which represents 35.1% of total market capitalization and which contributed 25.5% to the sector's aggregate 2017's revenues. Below it are four firms of similar size and influence—Jordan Poultry, Jordan Dairy, General Invest, National Poultry, and Arab International Food—each of which comprises 7-13% of aggregate capitalization and each of which contributes 5-16.5% of annual revenues.

Food and beverage, of course, is one of the sectors most exposed to foreign competition. Given the large market share that giant MNCs like Coca Cola, Nabisco, and Kraft have in Jordan, one should not consider the market structure of ASE-based publicly traded firms fully reflective of the larger market structure.





Mining

The firms listed under this section of the economy have been appropriately classified; however, to the extent that mining operations are not necessarily in competition with one another—the business of a steel manufacturer has next to nothing do with the business of a potash mine—, an all-inclusive review of market structure will not necessarily afford great insights into the nature of competition in this sector. This being the case, I have excluded the Arab Potash Company (APC) and Jordan Phosphate Mines Company (JPMC) from my sectoral analysis. As both firms possess monopoly extraction rights and as both compete exclusively within international (rather than domestic) markets, I believe this decision is justified.[539]

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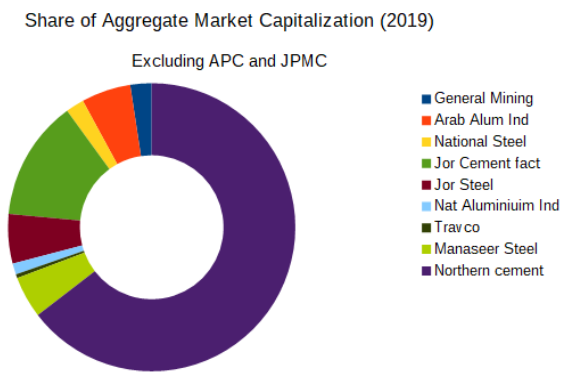
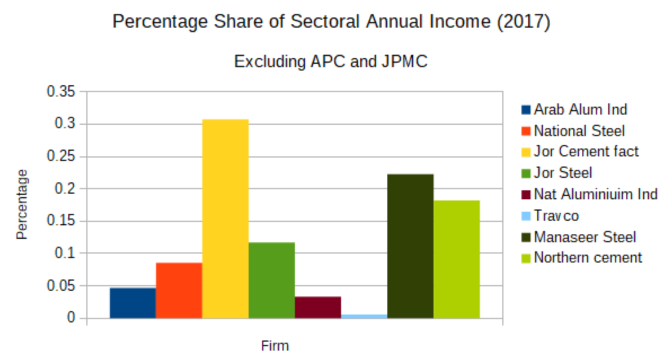
[539] It should be first acknowledged that the Arab Potash Company (APC) is the largest firm in the mining and construction sector, at least in terms of market capitalization. As of 2017, the APC's share of sector-wide market capitalization stood at 74.2%. Due to the vagaries of international commodity markets, however, APC revenues made up only 6.5% of the sector's aggregate total in 2017.

Excluding the APC and JPMC from consideration suggests that mining is also governed by an oligopolistic market structure. Within this structure, Northern Cement, Jordan Steel, and the Jordan Cement Factory represent the largest players by a significant margin. The revenues of both firms comprised between 25 and 50% of the non-phosphate/non-potash total. In terms of market capitalization, however, Northern Cement significantly outpaces all other actors in the sector.

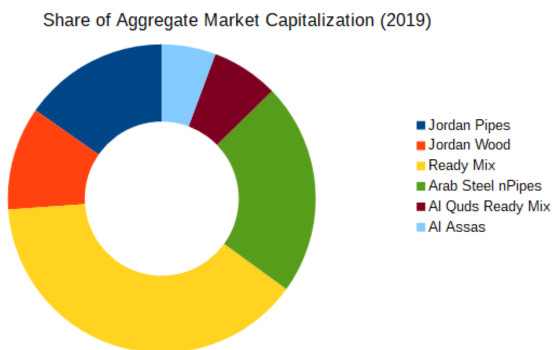


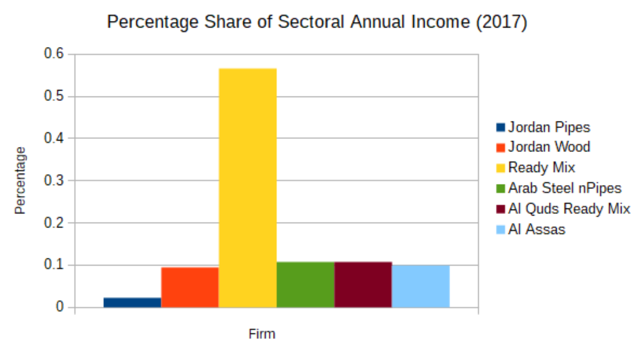


Engineering and Construction

The market structure amongst the publicly traded engineering and construction sector is oligopolistic and hierarchical in nature. Dominating the market is Ready Mix, which represents 38.9% of aggregate market capitalization. The firm's 2017 revenues of JD 44 million also represented 56.6% of the sector's total. Below it, four smaller firms—Jordan Pipes, Jordan Wood, Arab Steel and Pipes, and Al Quds Ready Mix—individually contribute between 7 and 22% of aggregate market capitalization as well as between 2 and 10% of aggregate revenues

As many of Jordan's largest construction contractors are not publicly traded—and as many of these private firms typically secure the mega development contracts doled out across the country's ongoing urban renewal efforts (as was evinced by the firm of the scandalized/exiled Walid Kurdi)—, it should be acknowledged that this review does not perfectly correspond to the *realities* of the market structure in this sector.





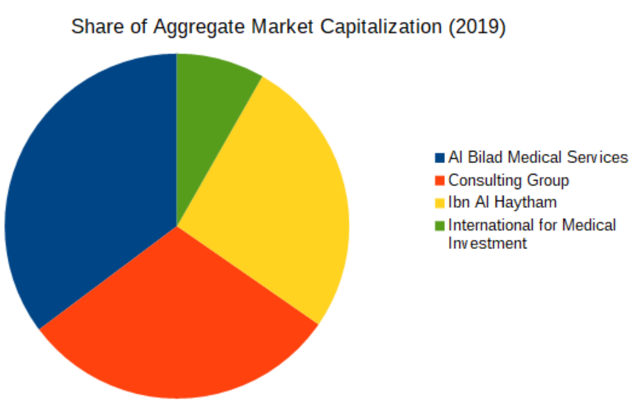
Textiles

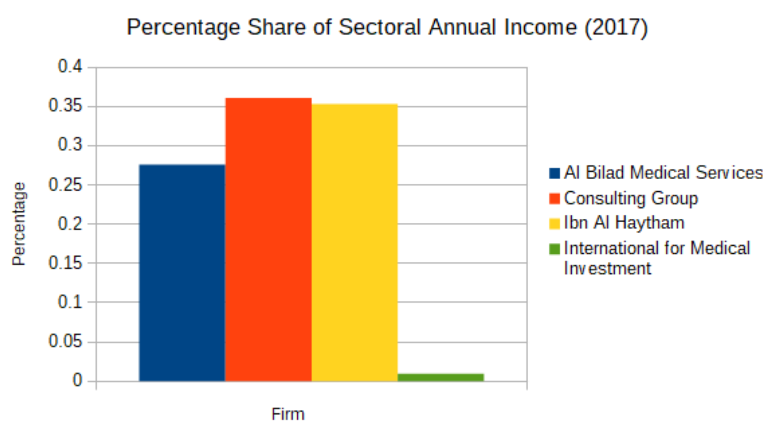
As discussed in the previous chapter, many of the largest firms operating in the textiles sector are privately owned, export-oriented South Asian firms. These firms do not compete with each other so much as they jointly exploit Jordan's FTA with the United States so to re-export their product to the American market sans-restrictions or tariff.

Excluding these firms from consideration, the market structure amongst publicly listed textile companies should be classified as oligopolistic in nature. The Century Investment Group represents 35.9% aggregate market capitalization, though the firm has not listed its revenues for any of the past three years, making any calculation on that metric impossible.[540] The SEZ-based Jordan Worsted Mill comprises 61.2% of market capitalization and 45.3% of total revenues. The similarly SEZ-based El Zay, meanwhile, earned 54.7% of 2017's total revenues despite representing just 3% of the sector's total market capitalization. As the Mu'asher family's Ranco Holding Company is heavily invested in both of these last two firms, their incentives to compete against one another are negligible.

Healthcare Services

Within the domain of healthcare services, one finds another oligopolistic (albeit balanced) market structure. Al Bilad Medical Services, the Consulting Group, and Ibn Al Haytham all control between 26% and 35% of total market capitalization and between 27% and 36% of 2017's annual revenues.





540 As was mentioned earlier, the Nuqul Family is the largest strategic investor in the CIG (45% equity, roughly).

Automobiles

Finally, though none of these firms are publicly traded, I also wanted to draw attention to the automobile sector as it well epitomizes how the aforementioned bourgeois elite cartelizes and dominates private markets. At the time of writing, the Haddad family's Markazia Company holds the single import and distribution license for Toyota and all its sister companies. The Nuqul family's Nuqul Automotive holds exclusive import and distribution rights for the majority of the big German automobile companies (Audi, Porsche and Volkswagen) as well as Skoda. The Malhas family's Mahmoudia Motors holds exclusive import and distribution rights for Jaguar and Land Rover, and so on down the line.

Though competing, to some extent, for the attentions of those in the market for a luxury automobile, this is a market for which the brand and other variables exogeneous to Jordan—the fuel efficiency and technological advancement of Toyota v. Porsche, for example—will ultimately determine sales. In other words, to the extent that Toyota and Porsche are competing, it is an arenas wholly detached from Jordan, in arenas within which their local distributors have no effect or relevance. By not infringing on each family's exclusive distribution rights, then, the domestic automobile market is, by definition, non-competitive. Free to price fix to a certain extent, then, the Nuqul, Haddad, and Malhas live and let live while accruing the rent distribution generated by Toyota and Jaguar's external rivalry, a rivalry from which they are themselves entirely apart.

Conclusion

Markets and private initiative most certainly prevail in Jordan today, where they structure the social as much as the economic organization of the nation. If resembling an archetypical capitalist formation in those regards, however, the Jordanian modality most certainly diverges from standard *models*—be they liberal market and corporatist market in nature—when it comes to the form of competition that these structures give host to. Sectoral market structures in Jordan tend towards monopoly and/or oligopoly; financial capital is currently consolidating its dominance over the wider economy; and a narrow, *legacy*-derived elite, internally governed by conciliatory practices, continues to evince a degree of cross-sector power (and ownership) that approaches comprehensiveness.

With massive, family-owned conglomerates and holding companies presiding over expansive empires, young and emergent firms—containing the greatest potential for growth, as the World Bank now acknowledges—have little chance of challenging this status quo. By consequence, Jordanian capitalism animates precious little competitive energy, as is verified by the consistency seen in its sectoral market structures and by its notably low rates of market exit and entry.[541] Whether this limited, elite-dominated form of market competition ought be treated as an aberrational or paradigmatic outcome for a capitalist economy is a separate question. Across the wide spectrum of actually existing capitalisms—from the nominally cutthroat, liberal

541 On this last point, see: Najy Benhassine, *From Privilege to Competition: Unlocking Private-led Growth in the Middle East and North Africa,* World Bank (2009), pp.97-104.

standard bearers (like the US and UK) to the traditionally controlled and regulated (like western Europe has traditionally been imagined) to the healthy cronyist iterations (South Korea, Japan) to the elite-dominated peripheral economies of the global south—, the empirical reality of market competition, after all, rarely measures up to that which has been discursively imagined.

Nevertheless, the Jordanian modality is still notable for its lack of dynamism, for its rigid intraclass hierarchies, for the social interlocking of the elite class fraction, for the enduring (if transforming) hegemony of inherited wealth and old guard luminaries, and for the subtle protectionism the state continues to provide its domestic elites in an era of nominal economic openness.[542] Though this modality of competition has facilitated a narrow elite's realization of dependable profits—stabilizing accumulation and further institutionalizing the contemporary SSA in the process—, it does so at the expense of long-term development and intraclass harmony.

[542] I will develop this point in much greater detail in chapter ten.

CHAPTER NINE

Social control under Abdullah

The social control regime established under Abdullah during the past twenty years evinces greater complexity than the one consolidated by his father during the post-1973 period. Though contributing to the stabilization of capital accumulation—and while contributing to the profits accruing to an elite, transnationalized fraction of the business class in particular—, this iteration of Hashemite social control has also proven far more volatile than its predecessor.

This volatility reduces, in part, to Abdullah's embrace of coercive and repressive social control tactics. Where Hussein's regime had contained a number of corporatist practices designed to ameliorate class tensions, his son's has been premised on the gambit that silence can be won through rendering working people constantly precarious. While the economy's reproduction of starvation wages and endemic social anxiety—in conjunction with the state's continued asphyxiation of working class associational life—have, on occasion, created such desperation as to produce levels of collective exhaustion that might pass for social peace, it has also created the kinds of conditions within which antagonistic and contentious forms of political contention inevitably foment. Like the other dimensions of Jordan's contemporary SSA, then, this social control strategy is also basic to the country's capitalism of crisis.

This analysis of social control under Abdullah will be broken into four subsections. In the first, I will detail the legal-coercive aspects of contemporary social control. In the second, I will focus in on the (domestic and transnational) segmentation of the labor force and connect this to the stabilization of elite-oriented accumulation. In the third, I will turn to the proliferation of micro, small, and medium-sized enterprises and discuss how they have problematized the mobilization of worker solidarity. Finally, in the fourth subsection, I will address how the generalized precarity of the population may also contribute to social control in the contemporary period.

<u>The GFJTU in the late Hussein period</u>

In section one of this dissertation, I delineated how Hussein managed to bring organized labor to heel in the wake of Black September (1970-1971). In conjunction with the repression of partisan politics, the regime's successes in commandeering the main institutional fora for working class organization—the General Federation of Jordanian Trade Unions (GFJTU)—and in interpellating a generation of docile, socially disconnected labor leaders made certain that organized labor was something of a spent force by the time Abdullah eventually came to power.

That organized labor was indeed a spent (and embourgeoised) force by the later years of King Hussein's rule was quite clearly evinced by the GFJTU's ineffectual response to the flexibilization and privatization initiatives that were introduced subsequent to the arrival of the IMF in 1989.[543] Locating their operations in Shmisani, one of Amman's upper class neighborhoods—and closing down local branches and offices in the rest of the country—, the GFJTU leadership effectively sat out the fight, offering exceedingly little assistance to those individual unions that attempted to contest the piecemeal privatization initiatives of the mid-to-late 1990s.[544]

Though they put up some resistance to 1996's new Labor Law, their efforts largely came to naught. By consequence, Article 31 of this law would establish the employer's right to "terminate work contracts of unlimited period..if economic or technical circumstance mandated this termination", while Article 23 would allow for employers to dismiss workers without needing to articulate cause or justification.[545]

The hollowing of the GFJTU left Jordan's working classes deprived of the institutional and organizational structures it needed so to have any chance of contesting the structural reform push. Without any means of conscientizing, mobilizing, protecting, or advancing social and economic rights, Jordanian labor struggled to get its voice heard prior to 2011.

543 See: Hourani (2002), p.71

544 Ibid, p.23

545 Ibid, p.66

Before going any further, I should note that many of the arguments being made in these pages are functionalist in nature. In other words, I am not necessarily ascribing design to this social control strategy or to the system of labor market segmentation that has come to prevail over the past twenty years; similarly, I am not assigning perfect intentionality to the actors (principally, the Palace and the elite fraction of the capitalist class) implicated *in* and benefiting *from* such a social control strategy. Rather, I am attempting to discern the logic of a wider system, one that emerges by its own accord through the interdependent movements and interactions of different players and institutions, and one that, once emergent, shall proceed to shape said movements and interactions henceforth.

(1) The Juridical Foundations of Social Control

In order to trace the contours of the social control regime institutionalized under the direction of King Abdullah (et al), one ought to begin with that regime's juridical foundations. As will become clear, many of these foundations constitute an inheritance bestowed by the previous King. Regardless of their source of provenance, however, these juridical foundations structure the rights of labor today—and the relationship between labor and the state—all the same. Collectively functioning so to impede the organization of work places, diminish the leverage of collective bargaining, atomize the working classes, and disrupt the mobilization of working class interests (socially, politically, and economically), this framework of legalized coercion/discipline delineate the terms of contemporary class relations and the state's self-assigned prerogatives in mediating class relations. In so doing, it will be shown to further consolidate elite dominated processes of capital accumulation.

The juridical foundations of contemporary social control center on the legislation and regulation of three particular policy domains: (1) the domain of (individual and collective) labor rights; (2) the domain of immigration; and (3) the domain of industrial policy.

Labor Policy

When it comes to the first of these domains, the Ministry of Labor—with an assist, of course, from domestic intelligence—remains the primary institutional actor. Its regulatory powers derive from the discretionary authorities it retains over matters of union recognition. Across Abdullah's tenure, the Ministry has used these authorities for the purposes of an explicitly anti-labor agenda—as is evinced by the fact that MoL has refused to consign legal existence onto a single new union over the last twenty years.

By consequence, the only trade unions granted the right to operate at the time of writing are the very same (co-opted) seventeen unions that survived the cullings of the early 1970s.[546] As Section 119 of the Labor Code allows the state to levy fines up to JD 1000 and to proscribe prison sentences of up to three months for those individuals that are deemed to be member to a non-recognized and/or dissolved trade union, the consequences for those who might try to organize

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[546] In these regards, it is worth noting that as of 2019, the Jordanian government was still yet to sign ILO Convention 87, thereby freeing the state from any legal commitment towards competitive unionism.

On the Jordanian state's wider international commitments, see: Melani Cammett and Marsha Pripstein Posusney, "Labor market standards and labor market flexibility in the Middle East: free trade and freer unions?, *Studies in Comparative International Development* (45), 2010.

outside those spaces and institutions accredited by the Ministry can also be extremely significant.[547] With migrant migrant workers still prohibited from forming a union or holding office in a union[548] and with the Ministry still exploiting legal gray areas so to prevent agricultural and domestic workers in particular from either joining or forming a union as well, the prospects for new unionizations in the years to come—and for institutionalized mobilizations of working people more generally—look none too promising.[549]

In policing and regulating the business of those unions that are granted license to operate, moreover, Abdullah's Ministry of Labor remains every bit as domineering as was previously the case. Empowered, in these regards, by a vaguely corporatist Labor Code that deprives Jordanian unions of the vast majority of the negotiating and bargaining tactics that have traditionally been in the toolkit of workers—and that illegalizes and criminalizes independent, non-sanctioned

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547 On this topic, see: International Trade Union Confederation, *Letter to Prime Minister Omar Razzaz re: Labor Code Reforms:* (January, 2019).
Awad (2016), p.4

Abdullah-era governments have frequently used these means to target both the leadership and membership of the twelve independent *unofficial* unions that have emerged in the 2000s. Though these actors are attempting to self-organize through the Jordanian Federation of Independent Trade Unions—an institution representing industrial, agricultural, and public sector workers—, regime has prohibited them from opening officers, collectively bargaining, or collecting membership fees.

548 Awad (2016), p.3.
Amendments in 2010 did allow migrant workers to join a union; given that they tend to work in sectors and activities distinct and discrete from organized Jordanian labor (sectors within which no unions are operating), however, the amendment functionally makes little difference.

549 After all, by *excluding* migrant and agricultural workers in this manner, the state essentially deprives 30-45% of the labor force of its basic labor rights—and deprives the unions of 30-45% of the workers it might otherwise try to mobilize.

What is more, even when a group of workers manages to receive a favorable ruling from a judge, their prospects of unionization can still be stifled. Recently, the Ministry of Labor has refused to countenance public sector unionization *despite* a ruling from the Constitutional Court having established that civil servants indeed have that right (Awad, 2016, p.5).

forms of organizing and contention—, the MoL leaves the seventeen outfits united under the banner of the General Federation of Jordanian Trade Unions (GFJTU) with but the hollowest forms of agency and independence. When it comes to striking, for instance, Sections 134 and 135 of the Labor Code stipulate that workers may not use this tactic when a dispute is in arbitration, that workers cannot go on strike without providing the employer at least fourteen days of notice (28 days in the case of the public sector), and that the state can fine participants in illegal strikes 50 JD (and 5 JD for every day the strike persists). In conjunction with legislation assigning the state interest a kind of legal ontological priority in the final instance, the specter of totalizing repression is thereby made to hang eternally over the neck of organized labor—as section 116 of Jordan's labor law makes rather ominously clear:

> The Minister may institute judicial proceedings before the court of first instance for the dissolution of any trade union, if it: a) violates any provision of this Code, provided that the Minister had already sent the union, before instituting the proceedings, written notice to cease the violation within a determined time-limit and that the trade union did not respond to such notice; (b) instigates walkouts, work stoppage, stay-in strikes or demonstrations in cases where such actions are prohibited under this Code or any other legislation in force.

With the lower house having recently passed a series of new amendments to the Labor code—amendments subjecting union bylaws to the oversight and approval of the Ministry of Labor—, the policing, surveilling, and administering of organized labor seems poised to only intensify in the future.[550]

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[550] See: Jordan Labor Watch, "Independent Trade Unions reject labor law amendments", Report: Phenix Center Economic and Informatic Studies (2018). Accessible at: http://labor-watch.net/ar/read-news/151129?fbclid=IwAR1PMR-zmWqCS11O5QVLAYy3kLvO2pJ_nxbhpmvkOhpkS19IhuA-UIGZbmg

In coercively snuffing out new unions and regulating/infiltrating extant ones into ineffectuality, the juridical maneuvers in the domain of *collective labor* rights just described constitute a necessary and highly potent (if also insufficient) component of contemporary social control. Through the combination of these means, organized labor has been condemned into a growing irrelevance—a fate that is reflected in the GFJTU's dwindling membership rolls and in sharply declining trade union member to total employment rates[551]—, and laboring populations have been left without the independent organizational vectors they need in order to articulate collective grievance, identity, and interest. Such outcomes are highly conducive to the capital-dominated vision of social peace that is part and parcel of the wider neoliberal modality of capitalism.

If the state's legal and regulatory interventions in the domain of collective labor rights constitutes one pillar of the contemporary social control strategy's juridical foundations, as intimated, legal interventions in the domain of *individual* labor rights represent an essential albeit complementary bulwark to said foundations. Herein, one need begin with legislation related to the *flexibilization* of the labor market.[552] Like with union policy, flexibilization's legislative genealogy traces back to before Abdullah's coronation.

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551 Though representing 230,000 workers as of 2000, the aggregate membership of the unions organized under the GFJTU is only 200,000 as of the time of writing.
Where the trade union members to total employment rate had been 20% as of 2000, it now sits around 6%.

See: Danish Trade Union Council for International Development Cooperation, Report: *Jordan Labour Market Profile 2018.*

552 It should be acknowledged that initial legislation related to flexibilization preceded Abdullah's tenure as King (the first reform was passed in 1996).

1996's Labor Law no. 8—pushed through the Lower House with a nudge from IMF technocrats[553]—marked the maiden voyage of flexibilization. Amongst other things, this piece of legislation removed a number of limits related to temporary work contracts[554] and provided employers with the right to suspend or terminate contracts of indefinite and limited duration should "economic or technical conditions mandate" it so."[555] Through defining the legal conditions under which workers can be fired in such hermeneutically diffuse language, Law no.8 unsurprisingly facilitated a rise in arbitrary dismissals upon its passage into law.[556]

The relationship between the institutionalization of employer firing powers and social control is not difficult to imagine. As the specter of arbitrary dismissal hangs, it is to be expected (and it is empirically verified) that workers will be chastened into either quiescence or into

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553 On this nudge, see: Cammett and Pripstein Posusney (2010), p.271.

554 It also established that a single temporary contract could extent up to five years; functionally speaking, then, this law allowed for employers to extend temporary work contracts indefinitely.

555 Article 26 of the law covers the dismissal of limited-contract workers.
Article 31 provides employers with the right to "terminate work contracts of unlimited period, either fully, partially, or to suspend them, if economic or technical circumstances mandated this termination or suspension." Article 23 of the law stipulates that an employer may dismiss a worker without needing to provide a reason (Hourani, 65). Though sections 32 and 33 of the labor law provide some means for seeking redress should a worker believe her/himself to be wrongly dismissed, courts have not typically been favorable to these cases.

It should be said that amendments to the labor law in 2017 and 2018 have sought to redound some of the benefits of flexibility back on to the workers. Provisions have been established whereby an employee who has worked full-time for three consecutive years at a place of work may, due to family or educational needs, transition into remote work, part-time work, or variable scheduled work while still retaining their right to return to full-time work at a later date. Nonetheless, on balance, flexibilization has inevitably functioned so to further stack the deck in favor of employers, and has thereby provided a key mechanism for social control. In combination with migration policies and the negative externalities generated by formalization, flexibilization has exposed all Jordanian workers but especially those at the bottom of the wage structure to the vagaries and desperation of a dog eat dog market.

556 Though a number of amendments were introduced to Law no.8 in August of 2002, none invalidated the original piece of legislation's introduction of *easy* firing and *flexible* labor contracting.

accepting substandard wages and work conditions. Within the context of such power relations, the subsequent flexibilization of work arrangements—which has resulted in a vast increase in the prevalence of part-time work and fixed-time contracts, a topic I will dive into in detail in a forthcoming subsection on *generalized precarity*—only further forces the hand of labor. If less kinetic in their effects than previously described crackdowns on organized labor might be, by depriving workers of basic protections and removing what limited leverage they already had vis-a-vis employers, these juridical interventions certainly contribute to the disciplining of the working classes as well as to the profit rates of capital.

Immigration Policy

As mentioned at the outset, the juridical foundations of contemporary social control rest not solely on the state's legislative and regulatory interventions in the domain of labor policy, but also on its interventions—or more specifically, on the state's purposeful neglect and (non)regulation—in the domain of immigration policy. In previous chapters, I have detailed how legislation in this policy domain was used to bring hundreds of thousands of legally vulnerable, socially precarious, low skill/low wage workers into Jordan. More than constituting a kind of subsidy for private firms operating in the fields of agriculture, construction, real estate, and garment manufacturing, I have shown how these migrants have also segmented the Jordanian labor force—and further undermined the prospects of working class mobilization in the process.[557]

While these permitted, state-sanctioned inflows of labor migrants have themselves contributed to the regime of social control consolidated under Abdullah's tenure in a number of ways[558], at this juncture, I want to to draw attention to the role that the state's willful neglect of *illegal,* non-permitted labor market participants plays in the Abdullah-era social control strategy. At the time of writing, there are more than 500,000 non-permitted migrants employed in the Jordanian labor market. The magnitude of this *illegal* surplus labor force—on top, of course, of the extant *legal* surplus labor force—not only functions so to depress the wage structure in Jordan; it also necessitates that low-skill Jordanian laborers to operate under the same extralegal rules of employment that the precarious stock of Egyptian and Syrians workers do.

In so doing, the state's regulatory neglect of migrant worker populations in the labor market forces the most vulnerable of Jordanian workers to *race to the bottom* should they hope to have any chance of providing a basic level of sustenance for their families. Rendered desperate, atomized, and permanently insecure, such Jordanian workers—many of whom are forced to reckon with the realities of informality as well—tend to evince the social and political

[557] The domestic workers amongst these migrants have also acted as a de facto subsidy for the middle classes, as their cheap wages and legal precarity allows many families to secure housekeepers and nannies for a relative pittance.

[558] As will be discussed in the subsection on labor market segmentation, the magnitude of non-native workers in the labor market—and the legal restrictions impeding their inclusion in unionization efforts—makes the mobilization of workers' actions and working class politics far more difficult than it might otherwise be.

expressions historically expected of lumpenproletarians.[559] Manifest in this class fraction's generalized deactivation as a social or political force—a claim empirically corroborated by their infrequent participation in protests, strikes, or other collective actions aimed at advancing structural change[560] as much as in their lower voting rates—, the social control effects of this immigration-powered desperation should be obvious enough. With foreign workers disciplined by legal precarity and native workers lacking the reserves of cognitive, social, and material energy that are the preconditions of *insurgent citizenship*, the mobilization of either solidarity or an anti-capital challenge is made fraught.

Industrial Policy

The last of the juridical foundations of contemporary social control, finally, have been built and fortified within the domain of industrial policy. Specifically—and by consequence of the state's aforementioned modality of *laissez-faire* industrial policy[561]—, Jordan's *physical* space has

559 For more on informality's relationship to political quiescence (if not right-wing politics), see: Kenneth Roberts, "Social inequalities without class cleavages in Latin America's neoliberal era", *Studies in Comparative International Development* (36:4), 2002.
Andy Baker and Vania Ximena Velasco-Guachalla, "Is the informal sector politically different? (Null) Answers from Latin America", *World Development* (102), 2018.

560 This class fraction's non-participation in protests is also comparatively low (vis-a-vis formal, full-time workers). This is confirmed in data from the Armed Conflict Location and Event Data project and in examinations of the recent instances of major worker mobilizations in Jordan, which show the *lumperproletarians* to be a non-factor for all effects and purposes.

561 Included within these spaces, of course, is the Aqaba Special Economic Zone that was discussed at length in the previous chapter. Most clearly evincing the social, political, and economic impact that industrial remapping can have, recall that Aqaba is now governed by the unelected Aqaba Special Economic Zone Authority (ASEZA). Subjected to a number of special laws and regulations particular to ASEZA's dominion, the people of Aqaba and its surrounding environs now lack, in many instances, the avenues of basic legal recourse that are typically afforded Jordanian citizens. Though I have already demonstrated how freely the state disregards its own laws

come to be partitioned into a highly complex legal geography defined by a vast constellation of special development zones, special free zones, and industrial estates.

At the time of writing, thirty-seven privately-run free economic zones are in operation in Jordan in addition to six publicly-run free economic zones, two special development zones, and six industrial estates (with another five planner for the years ahead). As these *spaces of exception* are subjected to their own special laws[562], as they are often populated by acutely precarious migrant labor, and as they are quite literally fenced and walled off from the rest of Jordanian territory, this legal remapping of Jordan functions so to make the logistical organization of workers extremely difficult.[563] When one considers that Jordan's export processing zones are almost entirely insulated from the rest of the economy as well[564], the legal geography demarcated by industrial policy decisions cannot help but to have hindered the mobilization of cross-sector, economy wide worker solidarity as well.

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and processes when it comes to labor issues—whether in Amman, Ajloun, or anywhere else—, depriving Aqaba's workers of these avenues nonetheless renders them even more vulnerable than is the case elsewhere in Jordan. In also complicating efforts to mobilize collective struggles at a national level, the legal separateness of Aqaba most certainly comes to function so to facilitate social control.

562 Though subjected to slight differences, in general, this treatment provides all firms within such spaces with a flat 5% corporate tax rate, exemptions or reductions on on sales tax, income tax on exported goods, land tax and building taxes, dividends tax, custom duties, and social security contributions, de facto regulatory neglect of labor rights, unlimited, non-conditional rights when it comes to importing and employing foreign workers and allows for 100% foreign ownership (See: Investment Law No.30, 2014). Garment workers—comprising a large portion of the labor force in these zones—are also exempt from the state's minimum wage legislation.

563 Foreign workers are frequently housed in special on-site dormitories; as discussed, they are also not allowed to form unions.

564 Recall from the previous chapter that the firms in these zones import their industrial inputs as much as they do their labor force.

What is more, the spatialization of production that these export processing zones facilitate[565] and give host to only further intensifies the social control effects hitherto described. Recall from the previous chapter that Jordan's host of export processing zones have come to be dominated by South Asian garment manufacturers. Whether this dominance is intrinsically an issue or not, the non-conditional nature of the incentives and subsidies afforded to firms operating within said zones[566] concomitantly deprives the Jordanian state (and its workers) of any means of pushing back against the footloose investment and operations that these manufacturers tend to practice.[567] Able to pack up and leave at a moment's notice should workers or the Jordanian state attempt to negotiate or impose any change to the firms' preferred ways of doing business—threats made more convincing by the fact that these footloose investors can easily relocate to Morocco, whose own FTA grants firms operating there with the same tariff-free access to the United States—, spatialization (and laissez-faire industrial policy more generally) has licensed South Asian capital to leverage its unrestricted and absolute mobility so to keep workers in line with remarkable effectiveness.[568] Despite these firms being notorious for payroll delinquency, high turnover rates, and for inducing injuries at the workplace—and despite the

565 Recall, per Wallace and Brady, that the concept of spatialization describes how both the relocation of production *and* the threat of relocation function so to discipline labor. Forced to *compete* for capital and made to operate under the rules and logic of such a competition, the two argue that spatialization not only implies a race to the bottom for labor but also a form of coercion, one where the specter of capital flight can purchase quietude and a highly hierarchical form of social peace.

566 I have discussed 2014's Investment Law No.30 and 2008's Development Zone Law no.2 in detail in chapter eight.

567 The non-capital intensive nature of the garment industry means that factories can be moved relatively easily and relatively quickly.

568 Specific to Jordan's QIZ-era, see: Kardoosh and al-Khouri (2004), p.28.

AFL-CIO's Solidarity Center having previously described labor conditions within Jordan's export processing zones as "tantamount to bonded labor"[569]—, they have proven teflon to labor action. For all these reasons, then, it is hard to imagine that the regime's prolificacy in conjuring and administering a network of export processing zones has not also contributed to a legal-administrative architecture functioning so to make the articulation of working class interests unduly burdensome.

The Praetorian Guards of Palace and Capital

Finally, I would be remiss in closing this subsection on the juridical structures of social control were I not to mention how the state's *legal* efforts in enforcing class domination are enhanced by the occasional adoption of extralegal mechanisms of enforcement and punishment. Critical in these regards have been a recently established Palace-aligned branch of the military colloquially referred to as al-Derak. Though al-Derak's operations are diverse and opaque, when it comes to social control, I would posit that they represent a specter and instrument of state-capital violence—a Praetorian guard loyal and accountable to the Palace alone that will act, in the final instance, at the behest of the King and his transnational class allies. On this basis—and despite their interventions being relatively infrequent[570]—, I would therefore argue that by

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[569] See: Mary Nazzal, *Economic Reform in Jordan: An Analysis of Structural Adjustment and Qualified Industrial Zones*, p.15.

[570] Al-Derak's presence and function was most obviously seen in 2009, when they were sent to put down the port workers' strike in Aqaba that emerged following the sale of said port to al-Maabar, a UAE based mega-development firm. As has been detailed at length by Adely, Tell, and many others, al-Derak met the peaceful

reminding those who might seek to challenge capital and/or the state of the stick that is the ultimate guarantor of the King's neoliberal project, the prospect and possibility of al-Derak's more kinetic, extralegal practices of coercion and discipline is sufficient for further enhancing the efficacy of the juridical foundations previously described.

(2) Labor Market Segmentation

Labor market segmentation, which is both an *outcome* of the processes hitherto detailed *and* an autonomous, somewhat self-contained variable independently implicated in the contemporary social control regime[571], is also central to the disciplining and containment of the Jordanian working classes. Reflecting and augmenting the effects produced by juridical institutionalization, *segmentation* functions so to deepen preexisting intra and interclass divisions—whether they be based on sectoral, ethnic, national, or generational cleavages. Further complicating the lay of the land for those who might aspire to mobilize collective grievance or to build networks of social solidarity, segmentation thereby makes a significant contribution to the stabilization of Jordan's elite-dominated modality of crisis capitalism.

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protests of the port workers with brutal violence. Sixty-five people were arrested, one sent into a coma, and a handful of others badly injured (De Bruyne, 2013, p.196).

571 In a sense, then, segmentation contains descriptive (i.e. it describes the effects of juridical processes) and causal properties (i.e. it contributes to social control itself).

Labor market segmentation in Jordan is organized around two principal cleavages. The first cleavage separates workers in the public sector from those in the private sector. This cleavage contains ethnic properties by virtue of the post-1971 dePalestinianization of the public sector, and generational properties by virtue of post-1989 fiscal consolidation as well.[572] The second cleavage, meanwhile, separates workers who are Jordanian citizens from those who are not.

The first of these cleavages has long generated a great deal of scholarly and political attention. As it relates to social control, the segmentation of workers between public and private sectors—as well as the infrequency with which an individual might cross this cleavage—not only partitions large segments of the working class into two separate and relatively unbridgeable camps; it also allows politicians, policymakers, and foreign technocrats to then invest each of those camps with allegedly *divergent* if not antagonistic interests. This cynical pitting of worker against worker has been seen in a number of the anti-public sector campaigns that have been launched by the IFIs and their comprador associates within Generation Abdullah across the past twenty years. Presenting the deprivation, deficient job creation, and lack of security that is structural to private sector employment not as a product of the market's enduring (and intrinsic) failures but as a product of the decent wages and benefits on offer in the public sector, these campaigns singularly attribute the poverty of the neoliberal era onto the state and those *incumbents* who secure their family's welfare through employment in it. It is a discourse

[572] Under the public sector category, I include both those working directly for the state (a group inclusive of civil servants and military personnel) as well as those working for state-owned enterprises and nominally autonomous institutions like the SSC.

imagining that unemployment will go away once the promise of public sector wages and benefits cease *distorting* the expectations of job seekers, and one that evokes teleological reasoning so to assert that the collective interest will be served by all workers accommodating themselves to prerogatives of private capital and the austere imperatives of global competition.

By refracting (public and private sector) workers' resentments away from the source of their collective discontent and onto one another, the contribution that such a segmentation-derived discourse offers to social control is considerable. When the public-private sector cleavage is animated by existential, ethnicized content through the association of (lazy) public sector work with ethnic Transjordanianness, this aspect of labor market segmentation can become even more destructive to the prospects of working class politics/solidarity. The same, of course, can also be said for the generational divide that is also contained within the public-private sector cleavage. Similarly available for those who would prefer to ascribe the precarity and hopelessness of some working people (specifically, the young job seeker) not to the failings of contemporary capitalism, but to the excess and greed of other working people (specifically, incumbent, *grandfathered-in* public sector workers), the invocation of generational beef in fact represents one of the more common refrain seen in the discourses of mystification just described. As the young have indeed been forced to disproportionally shoulder the burden and costs of Abdullah's neoliberalism—and as older (or retired) public sector workers are indeed naturally apprehensive at the thought of the transformational change the young might seek to achieve due to the stake they retain in the status quo[573]—, the generational divide only further muddles the building of class solidarity, and only further abets social control.

A direct outcome of the state's juridical interventions in the domain of immigration policy, the second cleavage undergirding the segmentation of the Jordanian labor market is the one separating Jordanian from non-Jordanian citizen. Before addressing this directly, one need first familiarize oneself with the scope and magnitude of contemporary Jordan's non-national populations.

As was briefly touched on earlier in this chapter, by consequence of both exogenous shocks[574]and designed immigration policies[575], the ethnic and national composition of the

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573 As was detailed in the previous chapter, the relative footprint of public employment has shrunk considerably in the post-1989 period. In brokering this partial retreat, however, the state has tended to protect incumbents at the expense of new job seekers. In other words, the reduced relative footprint is a function of hiring freezes more than it is of mass layoffs.

In addition to avoiding anything resembling mass layoffs, protection of incumbents has meant preserving the extensive healthcare and retirement benefits that Hussein's policymakers had put in place during the post-1973 period. At a time when the young are suffering from historically high levels of unemployment, then, they are also forced to observe members of the older generations opting for early retirement and experiencing a level of social security wholly unknown to those under thirty-five years of age.

574 In addition to the Syrian refugee crisis, the second Intifada and the second Gulf War also precipitated mass migrations out of Palestine and Iraq, respectively.

575 Certainly, the Syrian influx was one not desired by the Jordanian state or its business class. However, as Syrian refugees contribute no more than 20% of the total number of non-Jordanians working in the country, the pervasiveness of foreign labor today cannot be pinned on them or on external events more generally.

Indeed, as was earlier discussed, it is important to emphasize that this particular aspect of Jordan's labor market segmentation has been achieved through the willful interventions of policy planner and capitalist elite alike, at least in part. These foreign laborers are critical, after all, to the agricultural sector, to construction and urban renewal, and to the export-oriented industrial policies that have been undertaken over the past twenty years. Specific to the latter, the constellation of special economic zones, qualifying industrial zones, and special development zones now existing outside the legal geography of the state have not only entrenched South Asian capital and the re-exportation of low sophistication textiles at the heart of the country's industrial core. As the firms operating in those export processing zones compete based on implicit subsidies afforded by the state—subsidies inclusive of a foreign labor stock that can be paid sub-market wages—, they have required that Jordanian governments insure a steady supply of non-Jordanian labor. The profits achieved in urban renewal—whether through real estate speculation, construction, or various other enterprises centered on the

Jordanian population today has been made incredible diverse. A 2015 census showed 2.9 million non-nationals residing a Jordan, a figure representing 30.6% of the total population. As this translates into the labor market, prior to the Arab Uprisings, the Ministry of Labor had estimated that somewhere between 350,000 and 500,000 non-nationals were working (legally and illegally) in Jordan.[576] These numbers would subsequently climb even higher, however, following the outbreak of the Syrian civil war. From that resulting inflow alone, somewhere between 70,000 to 100,000 non-national workers were added to the Jordanian labor pool. A portion of these Syrian workers wound up eventually being given papers by the Jordanian state.

In combination with continuing *legal* inflows from other parts of the region, the ranks of Jordan's permit-holding foreign worker community grew to 396,091 as of 2017 according to the registries of the Ministry of Labor.[577] As for non-permitted, *illegal* foreign laborers, the Ministry estimated that figure to have reached at least 500,000 by the middle of the 2010s. Conservatively, then, at the time of writing, one can assume that a minimum of 900,000 non-Jordanians workers are participating in the Jordanian labor market.[578] As far as percentages go, non-Jordanians now

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transformation of the built environment—, are similarly contingent upon the presence of cheap, non-national labor.

576 See: Ministry of Planning and International Cooperation, *National Employment Strategy: 2011-2020* (Amman:2010).

577 This increase in the permits issued to foreign workers occurred despite policymakers having pledged to stop the issuance of new permits in June of 2016.
See: Kirk Sowell, "Reforming Jordan's Labor Market." Report: Sada, Carnegie Endowment for International Peace (2017), p.2.

578 See: Ministry of Labor, *The National Labour Market Indicators 2013-2017 (*Amman, 2018), p.29.
The Ministry classifies 340,995 of this number as "migrant workers."

constitute between 31-40% of the total employed population in Jordan.[579] When it comes to their contribution to the wider work force—i.e. those individuals that are employed or currently searching for work—, non-Jordanians now constitute at least 36% of the national total (up from 16% in 2004).

The reader has likely anticipated some of the effects that this *transnationalization* of the labor force—and the cleavage it defines within the working class—has vis-a-vis contemporary social control. As was previously discussed, by making an army of extralegal, non-national surplus labor eternally available, the regime's immigration policies have dragged down the wage structure and afforded employers with the alternative of opting out from domestic labor (should it unionize, or seek to collectively bargain) whenever it might be necessary. What is more, the presence of these surplus populations—the majority of which are lacking in proper legal rights—simultaneously forces those Jordanians at the bottom of the labor market to compete under the conditions that those desperate Egyptians and Syrians are willing to compete under. Poor Jordanians in particular must therefore accept the fundamental precarity and lack of recourse that is basic to the migrant or refugee lest they face a jobless future.[580] By consequence, the presence of massive migrant stocks in Jordan allows the capitalist class to police and check the ambition of the truly disinherited, further muddying any attempt at class-based mobilization.

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579 See: Assaad and Salemi (2018), p.5.

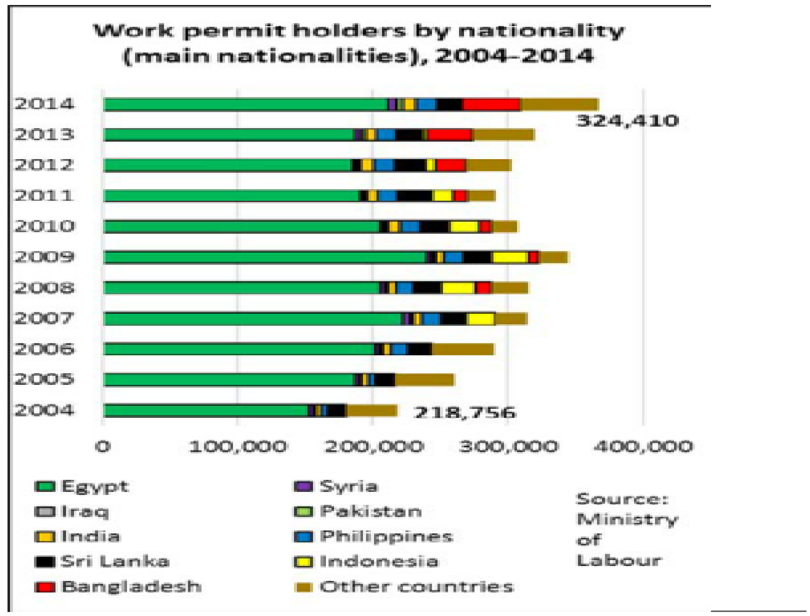
580 As of 2015, an estimated 86% of Syrians living in Jordanian urban areas were below the poverty line (Belair, 2016 p.2).

Longer Term Trends in Labor Migration[581]

Foreign population residing in Jordan by country of nationality (2004; 2015)

	2004		2015	
Country of nationality	Number	% total	Number	% total
Arab countries	**323,641**	**83**		
Of which Syria	38,130	**10**	1,265,514	**43**
Egypt	112,392	**29**	636,270	**22**
Palestine	115,190	**29**	634,182	**22**
Iraq	40,084	**10**	130,911	**4**
Yemen	2,585	**1**	31,163	**1**
Libya	1,057	**0**	22,700	**1**
Asian countries	**58,146**	**15**		
Of which Indonesia	13,552	**3**		
Sri Lanka	11,310	**3**		
European countries	**6,355**	**2**		
Of which the U.K.	878	0		
North America	**3,195**	**1**		
Of which the U.S.	2,841	1		
Other countries	**936**	**0**	**197,385**	**7**
Total	**392,273**	**100**	**2,918,125**	**100**

Source: Jordanian population censuses (2004; 2015)
2015 census: partial results available as of September 2015



Nor do the social control effects of this cleavage end there. For a number of reasons, the large number of permitted foreign laborers in certain sectors of the economy also complicate attempts at collective action and unionization. To begin, due to the vulnerability that is intrinsic to their legal category, these populations are disincentivized against participating in adversarial campaigns against employers. They are also disallowed from forming their own unions. By virtue of the fact that many economic sectors are rather neatly segmented along national lines, this legal provision largely prevents such populations from joining an existing union as well (as there would be no union to join should a sector be predominated by Egyptian labor in the first place). In addition to precipitating some resentments of the “they’re taking our jobs” variety, then, the

581 Tables and charts provided by Belair (2016), pp.4, 8

huge presence of migratory labor also makes the organization of class solidarity a far more tricky operation.

(3) MSME-based atomization

As of 2016, 17% of the Jordanian labor force was self-employed.[582] Across Abdullah's tenure, moreover, a plurality of Jordanian wage workers have plied their trade within a microenterprise.[583] These firms, employing ten employees or less, predominantly operate within the country's oversaturated retail sector. The proliferation of both microenterprises and self-employment are not random occurences but, rather, the designed and desired product of the state initiated development and poverty alleviation strategies.[584]

Misguided and counterproductive though these strategies may be vis-a-vis their own explicit goals, they are noteworthy to the extent that they have indirectly contributed to social control. Regarding self-employment and *reluctant entrepreneurship*, it is historically well

582 Reham Rizk and Colette Salemi, "Own account workers in Jordan: profile and characteristics", *Economic Research Forum Working Paper no.1218* (2018), p.14.

583 As of 2016, 29% of Jordanian laborers worked in a microenterprise, down from 33% in 2010. Much of this decline is explained by a transfer of workers from microenterprises to small enterprises (those employing 10-99 employees): the share of those employed in small enterprises grew from 28% in 2010 to 37% in 2016. See: Jordan Labor Market Panel Survey 2016.

584 Self-employment, own account employment, and household entrepreneurialism has been consistently championed by the Jordanian state and the international financial institutions alike. This is so despite the replicative, non-innovative nature of microenterprises in an economy like Jordan's. It is also so despite the fact that the demand for the simple goods produced by such enterprises will be inevitably bound by inelasticity. Given the country's distance from the global technological frontier, after all, these businesses don't wind up making microprocessors; they either make simple trinkets or sell chips and soda in a dukan. By pushing more and more people into this line of work, the country's development strategy does not grow the pie—it divides it into smaller and smaller slices.

established that such a form of work tends to be associated with the spread of reactionary, petite bourgeois ideology and political tendencies.[585] By pushing so many Jordanian workers into such a social condition, then, the state's development and poverty alleviation policies necessarily help to mitigate the possibility of working class mobilizations.

In addition, the proliferation of self-employment and microenterprises also functions to deprive labor activists of the large shop floors and mass-employing industrial work places that are the sine qua non of unionization, working class bargaining power, and labor politics.[586] Whether this was the intent of policymakers or not, then, these development/poverty alleviation programs have simultaneously served so to atomize the labor force and so to impede the conscientization of collective solidarity. Scattering and disorienting the lower classes, their effect on social control (and the wider embedding of neoliberal capitalism) should not be diminished.

(4) Generalized Precarity

Finally, I want to close by emphasizing how the generalized precarity that has been produced through all these mechanisms of social control—from legal assaults on unionization to labor market flexibilization; from migration policy to MSME promotion—may itself contribute to social control. Recall from the opening chapter that the vast majority of Jordanian wage workers

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585 For more on this, see: Abhijit Banerjee and Esther Duflo *Poor Economics: A Radical Rethinking of the Way to Right Global Poverty.* Public Affairs, 2011.

586 Indicative of the difficulty laborers have in advancing their interests within small workplaces, only 3% of those employed in MSMEs in 2010 were afforded employer-provided health insurance.
See: Assaad (2014), p.30.

now hover perilously close to the poverty line. Recall that hundreds of thousands of Jordanians are currently employed either irregularly or informally. Recall that millions of others are either unemployed or out of the labor force altogether And recall that many of those who have tried to organize the disinherited—be they political parties, civil society groups, or trade unions—have been subjected to the repressive powers of the state.

In this context, it should not strike the reader as shocking that working people often lack the space that is needed to think beyond the challenges of the day to day. With cognitive energies rightly devoted to the exigencies of the present—and with the emergence of kinship and religion-based systems of welfare and social security in the post-1989 period[587]—, generalized precarity makes the coalescence and organization of class-based solidarity even more difficult than it would otherwise be. As the magnitude of deprivation (and atomization) simultaneously renders both individuals and groups susceptible to localized co-optation in moments of crisis—as the palace's successes in using selective, opportunistic hiring, investment, and rent distribution during the post-Uprising period clearly evinces—, the social control effects of generalized precarity may be even larger than is initially apparent. Though this is aspect of social control is far from foolproof, so long as the Palace and capital can break the ranks of collective action through selective kin or group-based allocations of rents and opportunity, they have less need to fear any kind of seismic change to the political or social order.

[587] For more on the emergence of these kinship networks, see: Anne Marie Baylouny, *Privatizing Welfare in the Middle East: Kin Mutual Aid Associations in Jordan and Lebanon.* Indiana University Press (2010).

Conclusion

Comprised of four principle components—(1) juridical discipline; (2) labor market segmentation; (3) MSME-based atomization; and (4) generalized precarity, the social control strategy operating across Abdullah's tenure has successfully impeded the coalescence of class solidarity or large scale anti-system agitation. Though the material deprivation and social dislocation that are endemic to this strategy simultaneously generate the conditions for its own demise—and though Jordan has witnessed a number of instances of intra and cross-class mobilization during the neoliberal era—, the functional coherence of the social control strategy has as yet held steady. In so doing, it has played a critical role in stabilizing capital accumulation (and in augmenting the profits of the elite fraction of the capitalist class) despite the economy's generation of such extreme failures when it comes to job creation, growth, productivity, and the general welfare of the middle and lower classes. None of this should be read so to assign Jordan's neoliberal capitalism some kind of ontological permanence, of course. It should, however, chasten one against understating capital's resilience.

CHAPTER TEN

Peripherality, dependency and the external articulation of Jordanian capitalism

In this chapter, I will discuss the *external articulation* of the Jordanian SSA, analyzing how it too contributes to the institutionalization of crisis capitalism on the east bank of the river Jordan. Disaggregating the processes through which the Jordanian capitalism has been integrated into regional and international systems of finance, production, and trade, I will demonstrate that the nature of the profits which are generated for a select, elite fraction of the capitalist class through this *external articulation* implies and prefigures the long-term underdevelopment of the economy.

My analysis will be broken into two subsections. In the first, I will consider the policies informing Jordan's global and regional integration, or what I call the *juridical institutionalization* of economic opening. As I have already covered some aspects of this institutionalization in previous chapters—principally, the country's immigration, investment, and industrial policies—, this analysis will primarily emphasize the particular effects borne of trade and budget policy. Herein, I will process trace the economic consequences yielded by the country's accession to the WTO, by its signing of highly influential bilateral trade agreements, and by the state's enduring dependence on external budgetary sources.[588]

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[588] Specifically, I will be examining the Jordan-United States Free Trade Agreement (JUSFTA) and the EU Association Agreement on Jordan in considerable detail. Though I will also touch on a handful of regional trade initiatives such as the Greater Arab Free Trade Agreement (GAFTA), as these have been much less impactful in practice, they will not be given pride of place. Regarding GAFTA for example, though it was meant to eliminate all impediments to trade as of 2005, extensive non-tariff trade barriers remain in place across the region, and intraregional trade remains quite low as a result.

In section two, I will consider the consequences produced by Jordan's very particular modality of economic opening. Herein, I will highlight and explain four economic outcomes that are specifically relevant to contemporary underdevelopment. The first concerns the country's declining terms of trade. Narrowing in on the export side of the ledger, the second concerns the declining sophistication of Jordan's export basket. Directly related to investment policy decisions, the third concerns the effects of the Gulf's colonization of Jordan's domestic capital stock, emphasizing how Gulf-based FDI's tendency towards non-productive investment undermines industrial development and technological convergence alike. Bringing immigration policy to the fore, the fourth concerns *Generation Abdullah's* structural and institutional production of brain drain during the past twenty years.

(1) The Juridical Institutionalization of Economic Opening

Trade Policy

As was detailed in the closing pages of chapter three, Jordan's *modern* economic opening preceded the ascension of Abdullah to power. To recap, after debt and banking crises in the mid-late 1980s forced King Hussein to turn to the IMF as his lender of last resort, the country had been coerced into inaugurating a *controlled* liberalization program. One consequence of this was 1995's Investment Promotion Law, which established that foreign investors were not to be subjected to any discriminatory measures within Jordan. That same year, separate pieces of legislation made the dinar fully convertible for commercial transaction and removed restrictions on the transfer of investments abroad, respectively.[589] Though a permit from the Central Bank of Jordan (CBJ) was still required in the event a local bank sought to transfer funds abroad—and though the CBJ required that it be informed before an external investor transferred funds into Jordan at this time—, so long as prior authorization had been obtained, these regulatory changes lifted many of the checks previously hindering the inflow or outflow of capital and/or the repatriation of profits.

Not withstanding, then, the liberalizing work that was already done prior to Abdullah's coronation, economic opening would nevertheless be accelerated and pushed into whole new domains under the guidance of the King's Economic Consultative Council. Regarding the current account, royal decree and provisional legislation issued in the absence of parliament were used in the early 2000s so to unilaterally (and significantly) reduce the country's average weighted tariff rate.[590] Non-tariff trade barriers were also removed to a considerable extent during this same period. As impactful as these tariff-related measures were, however, their effects on Jordan's larger integration into the global economy would pale in comparison to those borne of Jordan's accession to the WTO.

Accession was steered through parliament in spite of massive public opposition during the early months of 2000.[591] As the opposition had feared, its effects on the policy space available to

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589 Foreign exchange controls had already been invested in the Central Bank of Jordan as of 1979's amendment to Foreign Exchange Control Law no.95.

590 35% in the mid-1980s, Jordan's most-favored nation weighted tariff rate was brought down to 13.5% as of early 2000.

591 See: Ferris Nesheiwat, "The adoption of intellectual property standards beyond TRIPS – is it a misguided legal and economic obsession by developing countries", *Loyola of Los Angeles International and Comparative Law Review* (2010), p.361.

elected (and unelected) government officials would be significant and deleterious from a developmental perspective. By consequence of Jordan agreeing to abide by the WTO's General Agreement on Tariffs and Trade, for instance, policymakers were immediately required to reduce the country's tariff rates even lower than the 13.5% already established by Abdullah and his proverbial *Chicago Boys.*[592] By consequence of Jordan agreeing to the WTO's General Agreement on Trade in Services, meanwhile, policymakers were forced to rewrite laws of Standards and Metrology, Agriculture, National Productions Protection, General Sales Tax, Customs, Import and Export, as well as the country's investment regulations. From the jump, then, the legislative impact of accession was to extend well beyond questions of customs and tariff alone.

The Global Financial Crisis and the Return of (some) Capital Controls

Though the capital account was similarly liberalized during the early years of the new millenium, it should be acknowledged that some restrictions on capital movements were reintroduced following the rupture of the 2007-2008 global financial crisis. Of note here, 2017's Regulating Dealings with Foreign Stock Exchanges Law no.1 would stipulate that trading in foreign stock exchanges—as well as mediating such trades on behalf of third parties—was to be disallowed for all except licensed commercial banks and those financial services companies that were overseen by the Jordan Securities Commission. Interestingly, though an earlier, *provisional* version of this law had passed in 2008 and though that version of the law had explicitly exempted foreign banks from the terms of this legislation, the contemporary version does not delineate any such exemptions new iteration did not. In addition to these regulations, as was discussed in chapter seven, restrictions are also still in place when it comes to FDI in the real estate, construction, wholesale, and retail trade sectors. In view of the fact that foreign exchange law still insures the free and restricted repatriation of capital and profits, however, the burdensome nature of these restrictions and regulations should not be overstated.

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592 By 2010, the country's maximum import tariff rate would thereby be reduced by 33% as compared to 2000 levels (declining from 30% to 20%); Jordan's weighted average, meanwhile, would decline all the way down to 8.1% for those trading partners with Most Favorite Nation status.
For more on this, see: Matthias Busse and Steffen Groning, "Assessing the impact of trade liberalization: the case of Jordan", *Journal of Economic Integration* (2012), p.470.

Of course, nowhere was the legislative invasiveness—or the developmental impact—of WTO accession more pronounced than in the case of the organization's Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPs). These impacts first manifested when the specter of WTO accession drove Jordanian policymakers to pre-emptively pass a new, *more suitable* Patent Law. Whereas 1973's Patent Law had only legislated for process patents, Article 2 of 1999's TRIPs-informed edition extended patent protection to the final product as well.[593] As would later become clear, this slight change functioned to invalidate and illegalize the entire business model upon which the Jordanian pharmaceutical industry had been founded—namely, the production and dissemination of generic drugs. What is more, as Abdullah's reformers were particularly keen on using IP policy—a favorite bugaboo of the international community—as a proving ground for their liberal *bona fides,* they would partner this patent legislation with aggressive enforcement and regulation operations.[594]

Clearly, then, accession to the WTO had meant far more than the lifting of trade barriers: it had also precipitated significant reforms to legislative and regulatory praxes. And yet, impactful as joining the WTO was both in these regards and when it came to shaping the external articulation of Jordan's social structure of accumulation more generally, its effect on the country's

[593] See: Hamed el-Said and Mohammed el-Said, "TRIPS-Plus implications for access to medicines in developing countries: lessons from Jordan-United States Free Trade Agreement", T*he Journal of World Intellectual Property* (10:6), 2007, p.446.

[594] Though disadvantageous from a developmental perspective, this zealous targeting of IP crime would lead to a significant drop in the rates of software piracy and win Abdullah's regime some favor amongst its western patrons (Nesheiwat, 2010, p.370).

contemporary form of capitalism would actually pale in comparison to those borne of the country's bilateral free trade agreements.[595]

The Jordan-United States Free Trade Agreement (JUSFTA)

2001's Jordan-United States Free Trade Agreement (JUSFTA) has proven the most impactful of the country's forays into trade biliateralism.[596] That these impacts have also proven unambiguously negative might have been anticipated were one to have had the occasion to observe the composition of the respective negotiation teams representing the two parties to the agreement.

On the one hand, the Jordanian team was led by Muhammed Halayqa, a then thirty year-old man who arrived at his royally appointed post with little in the way of trade knwoledge or bargaining experience. With Jordanian capital and labor equally disorganized, moreover—and thereby equally irrelevant when it came to lobbying and advocacy—, Halayqa would be doing his job while receiving little guidance from the actors most likely to be affected by his decision-making.[597] As the entire negotiation process had also been designed in such a manner as to insulate it from any oversight, public debate, or civil society participation, it would only a slight exaggeration to say that the King had, for all effects and purposes, managed to place fate of the

595 See: Mohammed El-Said, "The European TRIPS-Plus model and the Arab world: from co-operation to association—a new era in the global IPRS regime?", *Liverpool Law Review* (28), 2007, p.144.

596 The first iteration of Jordan's Association Agreement with the EU, signed in 1997, actually preceded Abdullah's ascension to the throne. That said, the arrangement was largely nominal in nature (El Said, 2007, p.149).

597 Mohammed el-Said, "The morning after: TRIPS-Plus, FTAs, and Wikileaks: fresh insights on the implementation and enforcement of IP protection in developing countries, *American University International Law Review (*28:1), 2012, p.81.

entire Jordanian economy in the grossly unprepared hands of Halayqa and co. alone. Making matters worse was the fact that Halayqa was to be opposed by the well-resourced and highly competent Office of the US Trade Representative as well as by the coalition of well-financed lobbying groups that were to hover in the shadows of the negotiations throughout.[598] Most prominent amongst this constellation of lobbyists were the Pharmaceutical Research and Manufacturers of America (PhRMA), the Business Software Alliance, and the International Intellectual Property Alliance.[599]

Unsurprising in view of the imbalance of power and knowhow amongst the negotiating teams, the final product of these trade talks wound up anchoring Jordan to a mode of global integration that was highly disadvantageous to the country's long-term development.[600] Central to this were another series of IP-related provisions—provisions that actually went well beyond what the WTO had required of Jordan.

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598 These special interests proved equally effective in pushing representatives of USAid, the American Embassy, and the US Patent and Trademark Office to do their bidding as well (el-Said, 2012, p.79).

USAid would also later contribute to the American squeeze of Jordanian policymakers. In the months following the negotiations, Aid made its economic and financial assistance conditional upon Jordan's implementation of the legislative reform mandated by JUSFTA and upon Jordanian regulators' earnestness in responding to American complaints re: IP violations (el-Said, 2012, pp.98-99).

599 El Said, 2012, pp.78, 89.
Even preceding the JUSFTA negotiations, PhRMA had been extensively engaged in lobbying the Embassy and other representatives of the American state to crack down on the IP climate in Jordan. In so doing, they were often rather shameless; on one occasion, PhRMA even tried to secure itself a seat on the board of Jordan's Food and Drug Administration so that it might more directly oversee the administration of IP regulations .

600 It is worth noting that JUSFTA established a prototype for what would become the United States' preferred strategy when interacting with the developing world in the 21st century. Subsequent bilateral free trade agreements with Morocco and Bahrain closely followed the template.

To begin, JUSFTA forced Jordan to waive the ten year transition period that the WTO's TRIPs Agreement allowed *developing* nations when it came to IP policy compliance. Next, it instituted a number of reforms regarding patent protection and regulation, the most impactful of which related to data exclusivity. In a nutshell, JUSFTA's imposition of data exclusivity meant that patent rights were to be extended not only to a product *proper*, but also to the research data and the experimental trials that needed to be presented in order for that product to be sanctioned by American regulatory bodies. Through the establishment of these provisions, Jordanian businesses were prevented from using or referencing publicly available experimental trials and/or data for the purpose of developing commercial products for up to eight years.[601]

[601] The kinds of R+D operations necessary to run such trials and develop one's own data are incredibly capital intensive and well beyond the capacity of Jordanian industry. For all effects and purposes, then, data exclusivity has meant that domestic firms are no longer legally able to produce generic versions of products anywhere near the global technological frontier.
See: El-Said, 2012, p.82

The WTO, TRIPS, and Jordan

As compares to the country's bilateral FTAs, the impact that WTO accession would have on the Jordanian economy was far less destructive in nature. Firstly, the multilateral nature of the WTO insured that the negotiations determining the content of its agreements were not wholly biased against the interests of the developing global south (El Said, 2007, p.144). In fact, it was this very multilateralism that made the WTO attractive to developing countries in the first place, allowing them to pool their resources and to leverage the negotiating power that their markets, in the aggregate, afforded so to *collectively bargain* against the US and EU. To no small extent, the WTO allowed the global south to stave off the "competitive liberalization" that is inherent to bilateralism, to save themselves from being individually steamrolled through one-on-one dealings with economic megapowers (Ibid, p167).

Collective action on the part of the developing world yielded a number of positive results. For instance, while the 1989-1990 Uruguay round of WTO negotiations did bring TRIPS into effect, it also provided for a number of exemptions and transitional conditions that eased the burden for developing countries. Specifically, Article 65 of TRIPS had litigated a grace period of five years before a country would need to come into compliance with the requisite IP regulations (a grace period extending to ten years in the case of product patents). In addition, the WTO afforded developing countries somewhat fair hearings within the WTO's multilateral dispute settlement system (Ibid, p.159). Of great importance from the perspective of Jordanian pharmaceutical corporations, the TRIPS agreement did not include data exclusivity within its patent regulations. In practice, data exclusivity is a "procedure wherein originative pharmaceutical companies are granted a period of time during which would-be generic producers of existing drugs are prohibited from obtaining regulatory approval for a competing drug if they rely on the results of the originator's clinical trials" (el-Said, 2012, p.85). Having also provided a number of other exemptions meant to insure that IP regulations did not imperil public health or nutrition in the global south—specifically, TRIPS provided for compulsory licensing, parallel imports, tiered pricing or differential pricing systems, and for the state's regulation of national drug price particular diseases in the case of national emergency (el Said, TRIPS in Jordan, 445)--multilateralism most certainly eased the pain of global integration, at least comparatively speaking.

For the Jordanian pharmaceutical industry—one of the economy's previously rising stars—, data exclusivity proved cataclysmic. As mentioned, prior to JUSFTA, the businesses operating in this sector had relied upon a unique, localized kind of second mover's advantage. More specifically, they had relied on their their capacity to to bring a generic version of a new product (once the initial patent expired) to regional markets before anyone else.[602] While not *doing* the innovation themselves, this strategy was an effective intermediate step that allowed

[602] In these years, the country's pharmaceutical firms consistently managed to deliver (and export) a generic version of a new drug developed in the west within six months of the latter hitting the shelf.

Jordanian industry to carve out a niche position within global and regional supply chains and to engage with and learn from cutting edge products. Profitable as the strategy was, moreover, it also facilitated capital accumulation in amounts that would have allowed local firms to (eventually) invest in lucrative though expensive R+D operations. Subsequent to the establishment of JUSFTA—and the installment of data exclusivity—, however, where it once took a Jordanian firm six months to bring a generic version of a new drug to market, it would now take nine years.[603] By consequence, the exports of Jordanian pharmaceutical firms would stagnate, and their domestic sales would drop precipitously as well.[604]

Moving beyond data exclusivity, JUSFTA also provided "new use" patent protections for chemical entities, a provision that has enabled evergreening strategies of a highly cynical nature.[605] Again in contrast to the WTO's TRIPS agreement, JUSFTA's TRIPs PLUS delineated

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603 See: El-Said and El-Said (2007), p.463.

604 A brief survey of growth and profit rates amongst those pharmaceutical companies that are publicly traded on the Amman Stock Exchange over the past three years gives some indication of this crisis.

605 See: El-Said, 2012, pp.82-91.
As this has played out in practice, whenever an American firm has seen the patent on an old chemical product approach its expiration, it has simply *discovered* and defined a new use for that product and thereby earned itself an additional three years of patent protections. When timed appropriately, American corporations can even stagger the discovery of "new applications" so to build one three year extension after another.

There have been a number of examples of this in the Jordanian market. In one instance, an American pharmaceutical company introduced a (patented) medicine that had been explicitly designated for adults; upon the expiration of this patent, however, they introduced a "new use" through repurposing and recalibrating the dosage of this medicine, first for children (thereby extending the patent) and then again for newborns three years following that. Another famous case from the mid-2000s saw PhRMA and its agents in the US Embassy advocate for a patent extension on an anti-asthma medicine after it was discovered that the drug could treat asthma *and* allergic rhinitis; on this occasion, at least, the Jordanian FDA managed to shut them down.

Generally speaking, however, knowing full well that Jordanian companies don't have the legal budget to contest these machinations through the various dispute resolution mechanisms established under JUSFTA, these ploys often go uncontested (on this last point, see: El-Said and El-Said, 2007, p.458).

rather austere restrictions on compulsory licensing. Specifically, where the WTO had assigned member states significant discretionary power when it came to defining those conditions under which licensing could be brought into effect—and thereby provided developing states with a mechanism for dealing with potential health crises—, JUSFTA stipulated that a firm could only be forced to license its product after an (American-dominated) arbitration process determined that the a narrow set of criteria had indeed been satisfied.[606] In practice, due to the fact that PhRMA has proven unsurprisingly dexterous in navigating these arbitration proceedings, American pharmaceutical companies have rarely had to abide by the Jordanian Ministry of Health's appeals for emergency-based compulsory licensing.

Finally, it worth noting that JUSFTA also reversed prevailing (and WTO-sanctioned) practices as concerns the enforcement of IP regulations. Where much of the legal and administrative burden had once been placed on the patent holder, JUSFTA required that the Jordanian state adopt a sort of pre-emptive, Panopticon-styled role. Specifically, Article 4.26 of JUSFTA obligates the Jordanian state to "initiate criminal proceedings and border measures against infringements of trademarks, which are directly related to pharmaceutical products, even in the absence of a formal complaint by a private party."[607] For all effects and purposes, JUSFTA

[606] See: El-Said 2012, p.88.
Specifically, these criteria dictate that licensing may proceed in order "to remedy a practice determined after judicial or administrative process to be anti-competitive, in cases of public non-commercial use or in the case of a national emergency or other circumstance of extreme urgency provided that such use is limited to use by government entities or legal entities acting under the authority of a government."

[607] El-Said and El-Said, 2007, p.449.

thusly rendered the Jordanian Drug Inspection Agency and its Ministry of Industry and Trade into a sort of patent police for American pharmaceutical companies.[608]

The trade policies adopted by *Generation Abdullah*—policies enshrining a development strategy based on static comparative advantage and respect for international intellectual property law—have, at one and the same time, managed to lock Jordan into commodity extraction and low value manufacturing while also undercutting those technologically sophisticated industries (such as pharmaceuticals) that had emerged across the 1970s, 1980s, and 1990s. Contrary to the promises made by their evangelists, said policies have also impeded the realization of technological transfers and delivered negligible gains in terms of investment into research and development (see box below). Central to the external articulation of Jordan's contemporary SSA, such policies are therefore fundamental to the crisis capitalism that has prevailed across the majority of Abdullah's tenure.

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[608] Jordan's Association Agreement with the European Union—which was amended and reinstated in 2002—, also contributed to an emergent mode of global integration that would prove highly unconducive to Jordan's long-term development. To begin, this agreement would largely reinforce the TRIPS-Plus regulations that had already been imposed upon Jordan through JUSFTA. In one sense, the Association Agreement even went beyond the American iteration. Specifically, the Agreement with the EU stipulates that Jordan harmonize its IP Law to the "highest global standards." In so doing, the EU delineated a dynamic and open hermeneutical framework, one that could be reinterpreted across time so to push Jordan into compliance with whatever new regulations might emerge in those parts of the world (the core) where IP law actually is quite important (Nesheiwat, 365). In addition, it is also worth noting that both the Association Agreement and the EU's Barcelona Initiative—which represented the Union's efforts to establish a free trade area within the greater Mediterranean (inclusive of Jordan)—excluded agricultural products from the remit of free trade. Thereby excluding the one sector where Arab countries like Jordan actually held a static comparative advantage vis-a-vis their European counterparts, the cynicism and disingenuousness of the EU's economic *engagement* with the Middle East would be only further compounded (El Said, 148).

While the Jordan Compact and similar EU-led responses to the Syrian refugee crisis have hinted at the possibility of Europe opening its markets to Jordanian exports to a larger extent, such hints have yet to translate into material change at the time of writing.

Trade, IP Compliance, and Underdevelopment in Jordan and the Global South

Compliance with TRIPS Plus in Jordan has precipitated neither an increase in FDI, an increase in FDI allocations into R+D, nor an increase in technological transfers.[609] The FDI the country does receive, moreover, continues to hail almost exclusively from the Gulf and continues to be allocated almost exclusively into speculative, low sophistication spaces such as the built environment, commodities, and low complexity manufactures.[610] In the aggregate, then, trade policy has functioned so to stunt Jordan's transition towards a knowledge economy while also undermining the country's movement moving towards a high-sophistication, high-complexity export basket. What is more, it is important to emphasize that such outcomes are not aberrational; rather, they are the necessary outcome of a mode of global integration that has been premised on a (witting or unwitting) misunderstanding of IP costs and benefits in the global south.

So why, then, doesn't IP protection do what its ideological sponsors claim it will do? To answer, this, one need first remember that historically speaking, theft and the exploitation of foreign technologies has been a necessary (if not sufficient) precedent condition for economic catch-up. Prior to reaching the global technological frontier—and until one's endogenous human capital reaches a level where it can innovate and operate new technologies on its own—, borrowing and stealing from abroad are therefore essential for the advancement of a developing economy. This being the case, the militant enforcement of IP regulations that is institutionalized through arrangements like JUSFTA have functioned so to delay Jordan's technological convergence—so to kick away the very latter that the United States amongst others has used in building itself into an economic superpower.

In addition, though western trade representatives have legitimated aggressive IP regimes on the claim that they facilitate FDI-inflows and technological transfers into the developing world, this proposition has been falsified by a number of different studies (in addition to being refuted by the Jordanian example). Empirically, the correlation between strong IP regulations and FDI inflows in the developing world is statistically insignificant; the relationship between IP regulations and technological transfers, moreover, is also negligible.

Logically, these non-relationships can be explained by the fact that foreign investment is only sensitive to IP rights to the extent that the receiving economy is sensitive to IP rights. A recipient economy can be deemed insensitive to IP rights if it is lacking the endogenous capacity necessary to engage with frontier technologies and production techniques. In circumstance such as these (and such as Jordan's), technologically sophisticated firms (rightly) perceive that there is no benefit to be gained from moving their investment and operations into a recipient economy[611]; this being the case, the imposition of

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609 El Said and El Said (2007), pp.455-456.

610 Western originating FDI, which one can assume is more likely to be accompanied by technological transfers, comprises a tiny fraction of Jordan's total FDI. See: Nesheiwat, p.388

611 An example may help demonstrate this. Regardless of the quality of the *investment environment,* why would Apple invest R+D operations in, say, Kazakhstan, if the economy is incapable of providing the requisite personnel? In such a context, promises made by the Office of the US Trade Representative (and by its court intellectuals) regarding the positive externalities of IP regulation are unlikely to be realized. The best that can be hoped for is that a multinational corporation—seeking to exploit wage differentials—decides to move low-skilled, technologically non-intensive aspects of its production into the aspiring host country while retaining innovative, technologically intensive aspects back home, where the human capital stock is already sufficiently high.

stringent IP regulations will have no effect on FDI inflows, as said inflows were never forthcoming in the first place.[612] Given that imposition of JUSFTA-styled patent protections were already certain to increase the costs being borne by Jordanian consumers of pharmaceutical goods[613], that these same protections fail to offset these costs by facilitating increases in productive investment renders them even more problematic from a development perspective.

Finally, it is also important to note that *developing markets* like Jordan's constitute a tiny fraction of the consumer base for IP-intensive industries. This being the case, the notion that prospective violations of intellectual property rights in the global south might constitute a disincentivize for innovation back in the west is wholly nonsensical. Taking western based multinational pharmaceutical companies as an example, their aggregate sales across the entire Arab world comprised a mere 2% of their total sales as of 2007 (443).[614] Due to the low income levels that are witnessed in the region, moreover, those numbers drop down to near zero when it comes to the more expensive, *innovative,* patent-protected products that those MNCs develop. To evoke utilitarian arguments and to suggest that the liberalization of markets like Jordan and the austere enforcement of IP rights therein are somehow necessary for driving innovation, then, is to engage in willful misdirection.[615]

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612 See: Nesheiwat, p.364
The corporate structures of contemporary multinational corporations (MNCs) also contributing to the non-correlation between IP regulations and technological transfers. In places like Jordan, to the extent that MNC's invest at all, they structure their investment in such a manner as to preclude technological transfer. As was long ago theorized by Hymer through his works on the internationalization of the firm, this follows from the fact that "technology constitutes the primary firm-specific advantage of the multinational firm, and no such firm will transfer such technology even when property rights are well defined" (TRIPS in Jordan, 454). The spatialization of contemporary production, after all, not only allows and encourages corporations in the global core to outsource some parts of its operations—assembly, for example—to peripheral locations where the price of labor is cheaper. It also allows and encourages those same corporations to retain the innovative parts of the operation back home, where the endogenous human capital stock is already high and where they need not fear that their IP will be exposed in an undesirable fashion.

In Jordan, this kind of technological protectionism has often taken the form of joint ventures. By arranging joint ventures rather than licensing or franchising agreements, MNCs are able to retain all their IP (if not their production, too) at home while using local actors as de facto sales partners. The product remains that of the MNC's, while the local actors provide knowledge of and access to regional markets that the MNC lacks the requisite expertise on (El Said, Institutions and Joint ventures, p.68, 76).

613 As a massive Oxfam Study first established, by 2007, TRIPS Plus rules and the absence of generic alternatives resulted in a 20.5-47.9% increase in prices for new drugs (461). As these price increases occurred within the wider context of high poverty rates and low rates of health insurance, they resulted in people rationing their use of medicine. Rather than take the three daily tablets that had been prescribed by a doctor, patients might take one and hope for the best, as a 2004 Human Development Report harrowingly documented (462).

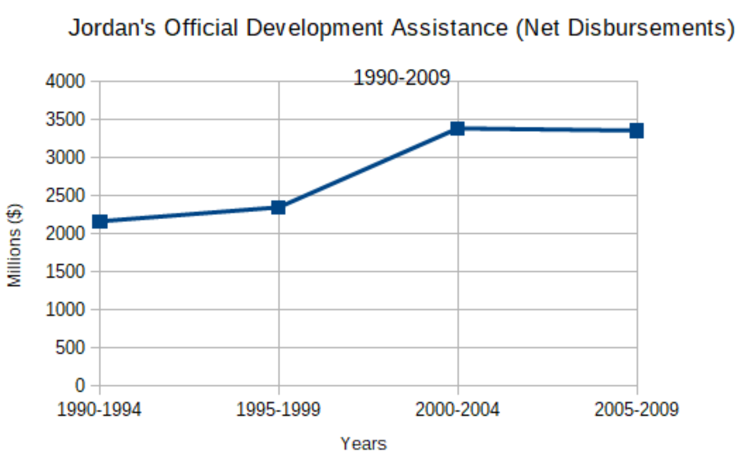
614 See: El-Said and El-Said (2007), p. 443.
This is so despite the fact that imported medicines represent 90% of total medicine consumption in the Middle East.

615 In these contexts, market rationalities insure—and empirical evidence verifies—, that the lives of people there are not valuable enough to invest R+D towards saving; profit seeking will lead firms towards investing in medicines for erectile dysfunction, plague of the wealthy, before it does the medicines that can be afforded in a place like Jordan.

Budget Policy

Before turning to my analysis of the consequences yielded by Jordanian trade policy, I want to close this section on the juridical institutionalization of the country's economic opening by briefly considering the state's external budgetary dependence and how this may relate to the *external articulation* of the country's SSA as well.

In terms of scope, as the charts on subsequent pages demonstrate, the basic solvency of the Jordanian state still very much depends on its ability to access external budget support. At the time of writing, Jordan is one of the largest recipients of official development aid (ODA) in the world. According to OECD data, in 2017, this country of roughly ten million people actually managed to rank seventh in the world in gross ODA received. Unsurprising given the country's relatively diminutive size, the local impact of these inflows is rather staggering: in 2017, Net ODA constituted 7.32% of the country's Gross National Income. While these figures represent a slight increase as compares to Abdullah's first decade as King, they are not outside the bounds of *normal.*



Data provided by OECD database

Sources of Jordanian ODA, 2015-2016 (Unit: Millions USD)

Austria	2.442744881	Gross ODA, 2015-2016 average, USD million
Belgium	8.28574851	Gross ODA, 2015-2016 average, USD million
Denmark	2.639195224	Gross ODA, 2015-2016 average, USD million
France	237.9115326	Gross ODA, 2015-2016 average, USD million
Germany	269.0098544	Gross ODA, 2015-2016 average, USD million
Italy	11.03825368	Gross ODA, 2015-2016 average, USD million
Netherlands	24.19490755	Gross ODA, 2015-2016 average, USD million
Norway	30.53483594	Gross ODA, 2015-2016 average, USD million
Sweden	9.300562194	Gross ODA, 2015-2016 average, USD million
Switzerland	18.4459789	Gross ODA, 2015-2016 average, USD million
United Kingdom	157.2727311	Gross ODA, 2015-2016 average, USD million
Finland	2.175454628	Gross ODA, 2015-2016 average, USD million
Iceland	0.240115	Gross ODA, 2015-2016 average, USD million
Ireland	1.954225785	Gross ODA, 2015-2016 average, USD million
Luxembourg	0.594822092	Gross ODA, 2015-2016 average, USD million
Greece	0.049518077	Gross ODA, 2015-2016 average, USD million
Malta	0.013822845	Gross ODA, 2015-2016 average, USD million
Spain	4.461684299	Gross ODA, 2015-2016 average, USD million
Turkey	3.325	Gross ODA, 2015-2016 average, USD million
Slovenia	0.102031617	Gross ODA, 2015-2016 average, USD million
Czech Republic	3.869702267	Gross ODA, 2015-2016 average, USD million
Slovak Republic	0.115175	Gross ODA, 2015-2016 average, USD million
Hungary	2.431256239	Gross ODA, 2015-2016 average, USD million
Poland	0.801585086	Gross ODA, 2015-2016 average, USD million
Romania	0.328409028	Gross ODA, 2015-2016 average, USD million
Estonia	0.00718788	Gross ODA, 2015-2016 average, USD million
Lithuania	0.004320752	Gross ODA, 2015-2016 average, USD million
Russia	1.083333334	Gross ODA, 2015-2016 average, USD million
Canada	74.2230194	Gross ODA, 2015-2016 average, USD million
United States	891.790519	Gross ODA, 2015-2016 average, USD million
Israel	20.1123215	Gross ODA, 2015-2016 average, USD million
Kuwait	203.5890196	Gross ODA, 2015-2016 average, USD million
Saudi Arabia	1.3369	Gross ODA, 2015-2016 average, USD million
United Arab Emirates	352.861935	Gross ODA, 2015-2016 average, USD million
Japan	213.655187	Gross ODA, 2015-2016 average, USD million
Korea	28.5947385	Gross ODA, 2015-2016 average, USD million
Thailand	0.09150935	Gross ODA, 2015-2016 average, USD million
Australia	9.011530521	Gross ODA, 2015-2016 average, USD million
Global Environment Facility	1.654584795	Gross ODA, 2015-2016 average, USD million
New Zealand	0.18	Gross ODA, 2015-2016 average, USD million
International Development Association	28.36222504	Gross ODA, 2015-2016 average, USD million
EU Institutions	240.7115909	Gross ODA, 2015-2016 average, USD million
Arab Fund (AFESD)	31.61170331	Gross ODA, 2015-2016 average, USD million
World Health Organisation	0.52720011	Gross ODA, 2015-2016 average, USD million
International Labour Organisation	1.086635	Gross ODA, 2015-2016 average, USD million
International Atomic Energy Agency	0.431839779	Gross ODA, 2015-2016 average, USD million
OPEC Fund for International Development	2.39729	Gross ODA, 2015-2016 average, USD million
UNDP	0.412119435	Gross ODA, 2015-2016 average, USD million
UNICEF	3.063576515	Gross ODA, 2015-2016 average, USD million

Data provided by OECD Database

As these tables evince, Gulf monarchies contribute a sizable chunk of Jordan's annual ODA.[616] The aggregate transfers provided by the Arab Coordination Group—which represents the

[616] Giving some indication of how essential Gulf aid is to the Hashemite survival strategy, it is worth noting that Abdullah's first act as King saw him travel to Saudi Arabia in hopes of healing the rifts that had opened during the latter years of his father's rule (Anani, p.186). While relations remained somewhat cool with Kuwait prior to 2012, he was largely successful in these regards. Though inconsistent, external official aid, budgetary support,

combined efforts of the Kuwait Fund for Arab Development, the Saudi Fund for Development, and the Abu Dhabi Fund for Development as well as regional, Gulf-based financial institutions such as the Arab Fund for Economic and Social Development, the Islamic development Bank, the OPEC Fund for International Development, the Arab Bank for Economic Development in Africa, the Arab Gulf Program for the United Nations Development Organizations and the Arab Monetary Fund—are rather astounding. In addition to ODA, moreover, the Gulf monarchies have also supplied more discretionary forms of direct budget support to Jordan, particularly in times of heightened political tensions. For instance, between 2011-2016 alone, the triumvirate of Saudi Arabia, the UAE, and Kuwait provided the Jordanian state with $3.75 billion in annual transfers, loans, and grants of different kinds. Marking the end of a long period of non-engagement, Kuwait's participation in these initiatives was especially welcome in Amman.[617] In addition, though the delivery of these pledges cannot yet be verified, it is worth acknowledging that Saudi Arabia, Kuwait, and the UAE also promised an additional $2.5 billion in aid in June 2018 after protests over a proposed income tax law shook the Kingdom's fragile social ecosystem.[618]

Complementing if not exceeding the Gulf-based ODA and budgetary support has been the financial commitments of the United States government. Ramped up during the many escalations

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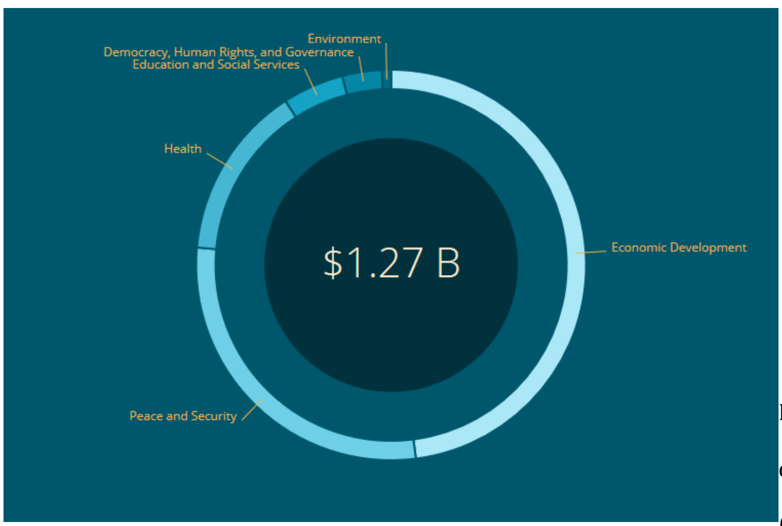
and off-the-books transfers from the Gulf have helped solidify his budget security—and, in so doing, further consolidated the regime's polarized, inequitable fiscal sociology—across the past twenty years, particularly in moments of political crisis. Without these injections of capital, the King's strategy in dealing with the Arab Uprisings—where he combined a reintroduction of subsidies with increases in public sector hiring—would have been impossible.

617 Kuwaiti aid to Jordan had ceased following the first Gulf War. For this history, see: Coestier (2015), p.16.

618 On these events, see: Ali Younes, "Will Gulf aid package help resolve Jordan's economic crisis", *Al Jazeera* (June 12, 2018).

in the war on terror—first following Zarqawi's 2005 attacks in Amman, later following the emergence of the *Da'esh*—, it could be argued that American inflows even constitute the most dependable component of the Palace's post-2001 budget strategy. Going forward—and as established under the terms of a Memorandum of Understanding signed in February of 2018—, up and through 2022, the United States will be providing $1.275 billion in annual bilateral foreign assistance to Jordan. This represents a 27% increase as compares to the US's previous annual commitments to Jordan. $910.8 million of this package will be devoted to an Economic Support Fund while $350 million for Foreign Military Funding. See the graph below for a detailed breakdown of how US ODA will be allocated in 2019.



Budget Requests, 2019; Chart and data provided by Department of State (foreignassistance.gov).

IDA and budget support disbursed by EU institutions and EU member states has also helped make up budget shortcomings. The aggregate receipts disbursed from EU member states in 2017 totaled roughly $775 million, with another $240 million was provided through EU institutions.

Turning to more *indirect* forms of budget support, one need begin with the contributions of UNRWA. In 2017, the organization devoted $175.8 million of its total budget to Jordan-based operations.[619] Designated for the country's many Palestinian refugee camps, this allotment financed the education of 121,368 elementary and secondary school aged students, 1.5 million annual patient visits, basic welfare services for 58,915, and provided for $14 million in loans to small businesses.[620] UNHCR—the chief UN agency responsible for handling the Syrian refugee crisis within Jordan (as well as for handling smaller refugee populations from Yemen, Iraq, Sudan, and Somalia)—runs an even bigger operation. With over 550 staff and a legal mandate to provide health services, education services, cash assistance, job training, housing, and other supports for 762,420 people, the UNHCR's spending in Jordan has routinely exceeded $300 million during the post-2012 period. In 2019, its proposed budget has climbed all the way to $371.8 million.[621] As each of these institutions function as externally financed parallel states—states that are fundamental to the social security of large segments of Jordan's territorial residents—, they represent critical, *external* mechanisms basic to the stabilization of contemporary Jordanian capitalism.[622]

Finally, one would be remiss in considering the budgetary aspect of juridical institutionalization if one did not also account for the concessionary loans disseminated to Jordan

619 Sharp (2018), p.10.

620 Figures drawn from United Nations Relief and Works Agency for Palestine Refugees in the Near East, *UNRWA In Figures,* June 2017.

621 By consequence of the fact that the camp-based population of non-Palestinian refugees is only 17%, far fewer than this number are likely to be actually receiving UNHCR's services.

622 Figures drawn from United Nations High Commissioner for Refugees, *Fact Sheet: Jordan,* February 2019.

through the IMF's various lending devices. Accompanied by more strings than are the inflows from the Gulf, the US, and the EU—at least as regards economic policymaking—, these capital injections are perhaps the most impactful when it comes to the orientation of Jordan's investment and industrial policies.

<u>Jordan's Arrangements with the IMF</u>

Figures listed are in thousands of Special Drawing Rights (SDRs)

Date of Arrangement	Expiration Date	Facility	Amount Agreed	Amount Drawn	Amount Outstanding
07/14/89	01/13/91	SBA	60000	26800	0
02/26/92	02/25/94	SBA	44400	44400	0
03/25/94	02/09/96	EFF	189300	130320	0
02/09/96	02/08/99	EFF	238040	202520	0
04/15/99	03/31/02	EFF	127880	127880	0
07/03/02	07/02/04	SBA	85280	10660	0
08/03/12	08/02/15	SBA	1364000	1364000	863156
08/24/16	08/23/19	EFF	514650	102930	102930

Though surely more haphazard than the Palace would prefer[623], the budget support arrangements that have been arranged by the state over the past twenty years have unambiguously affected the external (and the internal) articulation of the Jordanian SSA in a number of ways. As the table below evinces—a table that is only inclusive of bilateral forms of ODA—, these are arrangements that continue to underwrite substantial portions of the state's current, capital, and social expenditures.[624] To the extent that such expenditures help sustain

[623] It should be acknowledged that pledges of aid frequently go partially fulfilled (if fulfilled at all). This has certainly been the case with the *international community's* response to the Syrian refugee crisis.

[624] As the examples of UNRWA and UNHCR evince, foreign partners and international institutions are also depended upon when it comes to the *implementation* of social interventions.

lower class life in particular through ensuring that basic levels of public education, health, and welfare are maintained, ODA allows the state to both manage enduring humanitarian crises and stave off mass deprivation. Thereby pre-empting the social disruptions that might otherwise emerge, ODA too contributes to the stabilization of capital accumulation in Jordan (if also to the state/economy's dependent condition).

Allocations of Bilateral Official Development Assistance (USD million)

Annual Average: 2015-2016

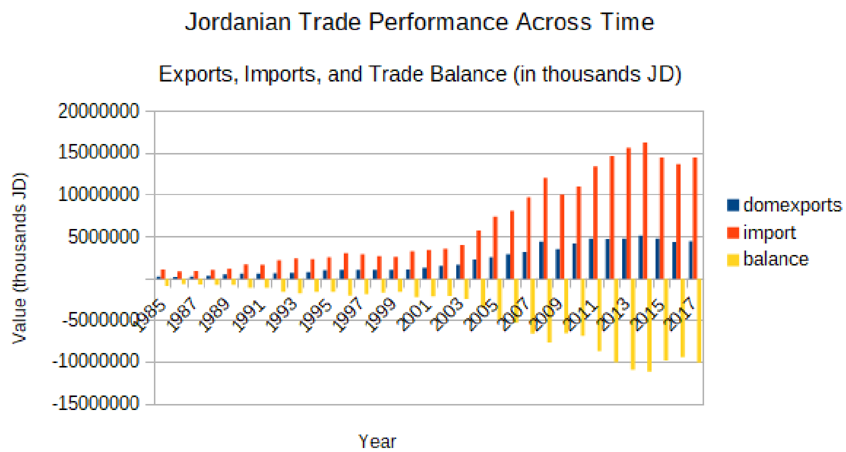
Annual Average: 2015-2016

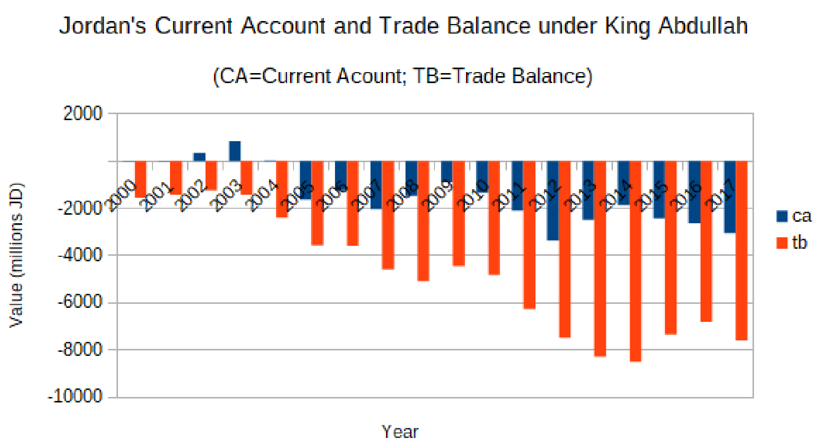
Other social infrastructure and services	1079.42	Bilateral ODA, 2015-2016 average, USD million
Education	274.355	Bilateral ODA, 2015-2016 average, USD million
Health and Population	31.31	Bilateral ODA, 2015-2016 average, USD million
ECONOMIC INFRASTRUCTURE AND SERV	133.98	Bilateral ODA, 2015-2016 average, USD million
PRODUCTION SECTORS	18.01	Bilateral ODA, 2015-2016 average, USD million
MULTISECTOR	25.395	Bilateral ODA, 2015-2016 average, USD million
PROGRAMME ASSISTANCE	169.665	Bilateral ODA, 2015-2016 average, USD million
ACTION RELATING TO DEBT	0.52	Bilateral ODA, 2015-2016 average, USD million
HUMANITARIAN AID	382.665	Bilateral ODA, 2015-2016 average, USD million
UNALLOCATED/UNSPECIFIED	15.75	Bilateral ODA, 2015-2016 average, USD million

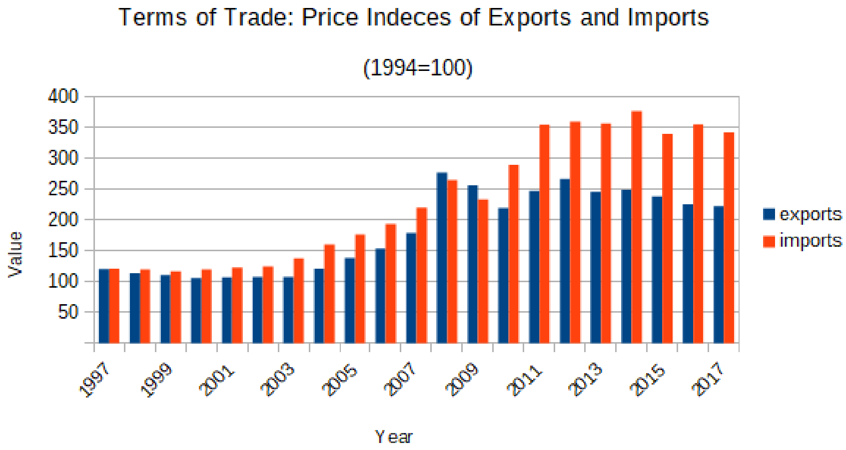
Subsection 2

(1) Expanding Trade Deficits

Any auditing of Jordan's integration with regional and global economies would need to start with the country's expanding trade deficit. By consequence of poorly considered trade, investment, and industrial policies, both terms of trade and current account deficits have worsened (and considerably at that) across the tenure of Abdullah.


Jordanian Trade Performance Across Time
Exports, Imports, and Trade Balance (in thousands JD)
Value (thousands JD)
20000000
15000000
10000000
5000000
-5000000
-10000000
-15000000
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
Year
domexports
import
balance


Jordan's Current Account and Trade Balance under King Abdullah
(CA=Current Acount; TB=Trade Balance)
Value (millions JD)
2000
-2000
-4000
-6000
-8000
-10000
2000
2001
2002
2003
2004
Year
ca
tb



Data for graphs provided by Central Bank of Jordan

(2) Declining complexity in the national export basket

Part and parcel of this expanding trade deficit—and perhaps even more reflective of the flaws inherent to the state's trade, investment, and industrial policies—is the declining complexity of Jordan's export basket. This decline has been quite thoroughly documented by the Observatory of Economic Complexity. After climbing all the way to number twenty in the Economic Complexity Index's rankings of export baskets as of 1980, Jordan henceforth witnessed a steady (and occasionally precipitous) decline. During Abdullah's tenure in particular, what early progress was achieved vis-a-vis export complexity in his initial years in power (2000-2009) were summarily unwound in the eight years that followed. In each year since 2012, in fact, the complexity of Jordan's export basket had declined by non-insignificant margins. By consequence, as of 2017, the complexity of Jordan's export basket had plummeted to a ranking of sixty-five out of the one hundred and twenty-nine included in the index.

The Economic Complexity Index

The Economic Complexity Index (ECI), a project jointly hosted by MIT's Media Lab and the Growth Lab at Harvard's Center for International Development, was primarily developed by Ricardo Hausman and Cesar Hidalgo. Designed to help researchers and policymakers identify how an economy can move beyond its static comparative advantage through exploiting opportunities for diversification and for complexification, the ECI is meant to function as a roadmap of sorts, one indicating how a country can *get more* out of international trade through gradually moving into the production of higher sophistication exports.

This ECI roadmap is founded on a number of premises and theoretical assumptions. The first is grounded in a Durkheimian understanding of the division of labor. Specifically, Hausman and Hidalgo posit that the "complexity of an economy is related to the multiplicity of useful knowledge embedded in it" and that "for a complex society to exist, and to sustain itself, people who know about design, marketing, finance, technology, human resource management, operations, and trade law must be able to interact and combine their knowledge to make products" (p.18). From this point of departure, the scholars assert a second premise, one positing that a country's endogenous *knowledge base* will be expressed and revealed in the "composition of a country's productive output."

Critically, however, Hidalgo and Hausman are also keen to emphasize that this translation of *knowledge* into products will not be automatic. Integrating theoretical insights from institutionalist schools of economic development, they assert that this translation process will always be mediated and affected by matters of governance, law, regulation, and the like. If appropriate institutional conditions are in place, a country's productive output will rather closely reflect the *knowledge* (or aggregate human capital) embedded in this society. Likewise, if institutional conditions are inappropriate, the complexity of a country's productive output may be incommensurate with that country's endogenous, *knowledge* base.

Such a divergence—and such institutional failure—can be determined by comparing the complexity of a country's current (or past) productive output against a projection of what that complexity *could be* in circumstance of ideal governance. This projection can be found in the ECI's *Growth Projection Index,* which attempts to model where a country's export basket *should* be based on the contemporary human capital stock.

As for how the *complexity* of productive output is actually determined on the ECI, Hidalgo and Hausman's formula largely reduces to two measures: *diversity* and *ubiquity.* The relation of *diversity* to complexity is based on the assumption that greater levels of human capital (and a more precise division of labor) will result in a greater number of distinct products being developed at any given time. This being said, the scholars also recognize that d*iversity* alone is insufficient for capturing the multifaceted nature of complexity. After all, it is more than possible that a relatively simple economy with a relatively low level of *embedded knowledge* might still prove capable of exporting hundreds of different kinds of low sophistication widgets, agricultural goods, or commodities.

(CONTINUED ON NEXT PAGE)

The Economic Complexity Index (Continued)

So to control against such a misleading outcome, as mentioned, *ubiquity* is inserted as a second measure. Most simply put, the *ubiquity* of a product is determined by measuring the number of countries that produce a given good at a given time. Following from the assumption that as the knowledge intensity of a product increases, the number of countries capable of producing such a product will decrease, *ubiquity* provides an effective hedge against *diversity's* incomplete relation to complexity. It should also be acknowledged that the *diversity* measure functions as the same hedge for *ubiquity*, just in the inverse. After all, it is equally easy to envision a scenario where a national economy might be home to an extremely rare commodity; while this natural inheritance implies a low level of ubiquity for the product, the rarity of coltan, for instance, has little to do with the complexity of the good, or with the human capital stock involved in its production. By accounting for the extent to which such commodity is refined into different products—i.e. the *diversity* of productive output—, one can control for the effect that the random distribution of commodities might have on complexity calculations. Only by triangulating *ubiquity* against *diversity* and vice versa, then, can a reliable proxy for complexity be established.

For the actual mathematics involved in the calculation of product complexity, see the technical box on the next page. Most generally put, product complexity is determined by measuring the weighted average of GDP per capita for each country exporting a certain product— whereby each country is weighted according to its share of total world exports. This weighted average gives an indication of the company one is keeping within particular export markets, locating a country's most relevant comparators and reverse engineering the endogenous capacity of the national economy in so doing.

TECHNICAL BOX 2.1: MEASURING ECONOMIC COMPLEXITY:

If we define M_{cp}, as a matrix that is 1 if country c produces product p, and 0 otherwise, we can measure diversity and ubiquity simply by summing over the rows or columns of that matrix. Formally, we define:

$$Diversity = k_{c,0} = \sum_p M_{cp} \tag{1}$$

$$Ubiquity = k_{p,0} = \sum_c M_{cp} \tag{2}$$

To generate a more accurate measure of the number of capabilities available in a country, or required by a product, we need to correct the information that diversity and ubiquity carry by using each one to correct the other. For countries, this requires us to calculate the average ubiquity of the products that it exports, the average diversity of the countries that make those products and so forth. For products, this requires us to calculate the average diversity of the countries that make them and the average ubiquity of the other products that these countries make. This can be expressed by the recursion:

$$k_{c,N} = \frac{1}{k_{c,0}} \sum_p M_{cp} \cdot k_{p,N-1} \tag{3}$$

$$k_{p,N} = \frac{1}{k_{p,0}} \sum_c M_{cp} \cdot k_{c,N-1} \tag{4}$$

We then insert (4) into (3) to obtain

$$k_{c,N} = \frac{1}{k_{c,0}} \sum_p M_{cp} \frac{1}{k_{p,0}} \sum_{c'} M_{c'p} \cdot k_{c',N-2} \tag{5}$$

$$k_{c,N} = \sum_{c'} k_{c',N-2} \sum \frac{M_{cp} M_{c'p}}{k_{c,0} k_{p,0}} \tag{6}$$

and rewrite this as :

$$k_{c,N} = \sum_{c'} \widetilde{M}_{cc'} k_{c',N-2} \tag{7}$$

where

$$\widetilde{M}_{cc'} = \sum_p \frac{M_{cp} M_{c'p}}{k_{c,0} k_{p,0}} \tag{8}$$

We note (7) is satisfied when $k_{c,N} = k_{c,N-2} = 1$. This is the eigenvector of $\widetilde{M}_{cc'}$ which is associated with the largest eigenvalue. Since this eigenvector is a vector of ones, it is not informative. We look, instead, for the eigenvector associated with the second largest eigenvalue. This is the eigenvector that captures the largest amount of variance in the system and is our measure of economic complexity. Hence, we define the Economic Complexity Index (ECI) as:

$$ECI = \frac{\vec{K} - < \vec{K} >}{\text{stdev}\,(\vec{K})} \tag{9}$$

where < > represents an average, stdev stands for the standard deviation and

$$\vec{K} = \textit{Eigenvector of } \widetilde{M}_{cc'} \textit{ associated with second largest eigenvalue.} \tag{10}$$

Analogously, we define a Product Complexity Index (PCI). Because of the symmetry of the problem, this can be done simply by exchanging the index of countries (c) with that for products (p) in the definitions above. Hence, we define PCI as:

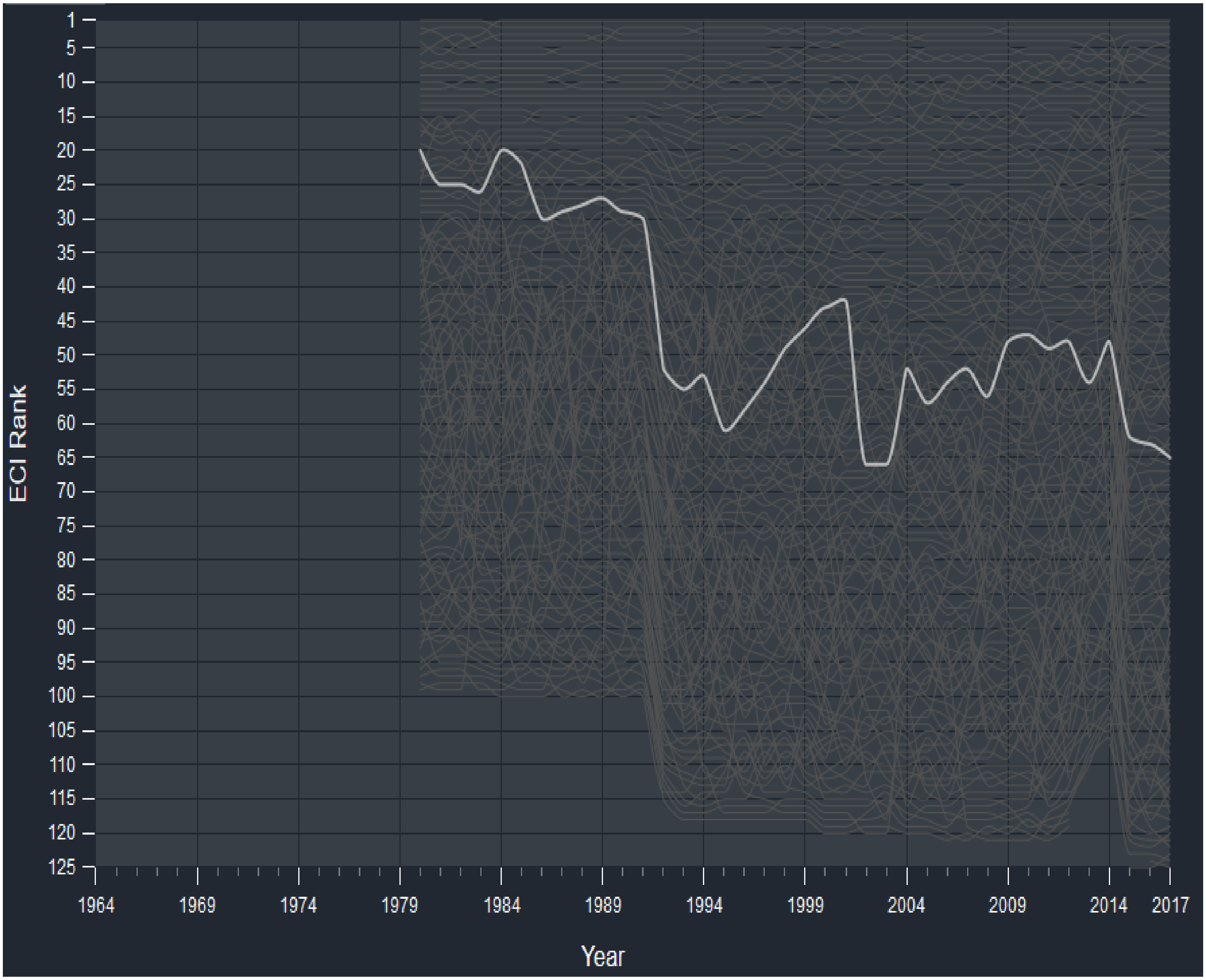
$$PCI = \frac{\vec{Q} - < \vec{Q} >}{\text{stdev}\,(\vec{Q})} \tag{11}$$

where

$$\vec{Q} = \textit{Eigenvector of } \widetilde{M}_{pp'} \textit{ associated with second largest eigenvalue.} \tag{12}$$

*Technical box provided by: Ricardo Hausmann, Cesar Hidalgo, Sebastian Buston, Michele Coscia, Sarah Chung, Juan Jimenez, Alexander Simoes, Muhammaed Yildirim, *The Atlas of Economic Complexity: Mapping Paths to Prosperity,* MIT Press (2014), p.24

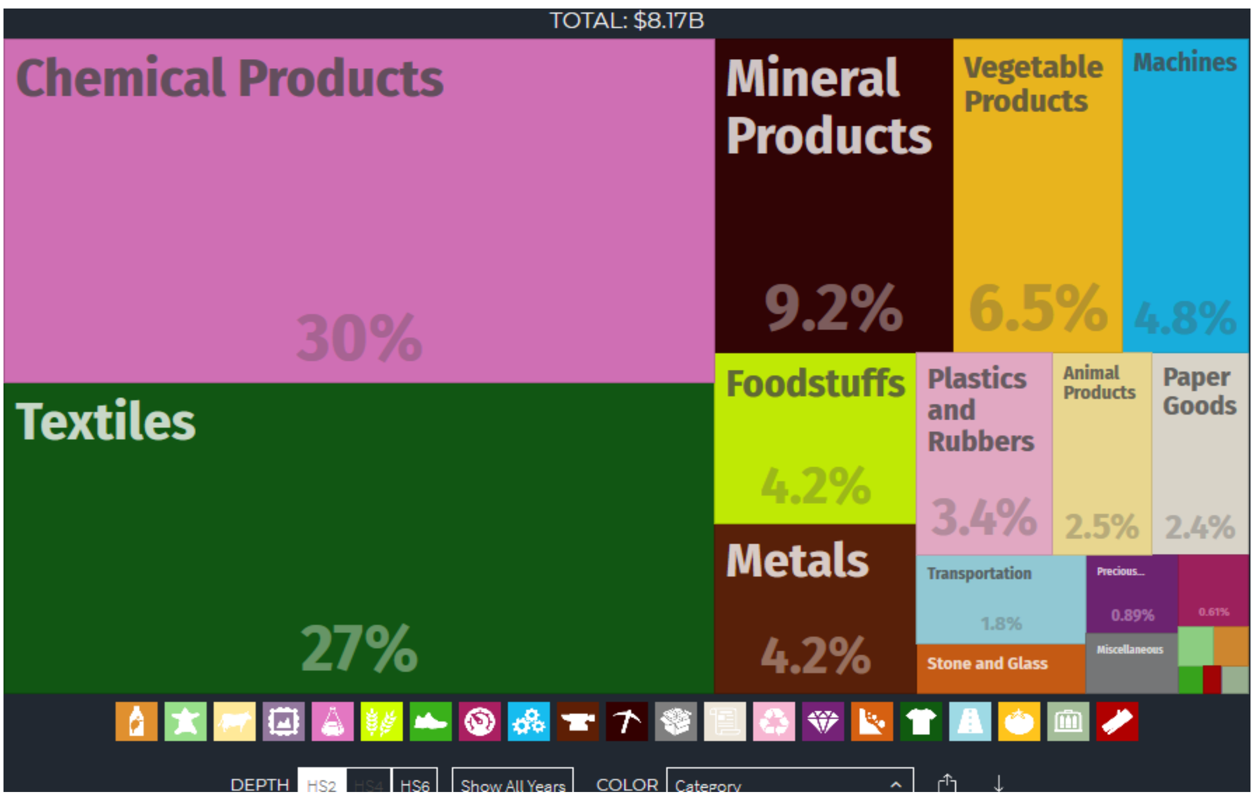
Ranking Jordan's Economic Complexity Across Time



Graph provided by Economic Complexity Index, MIT Media Lab/Harvard Center of International Development

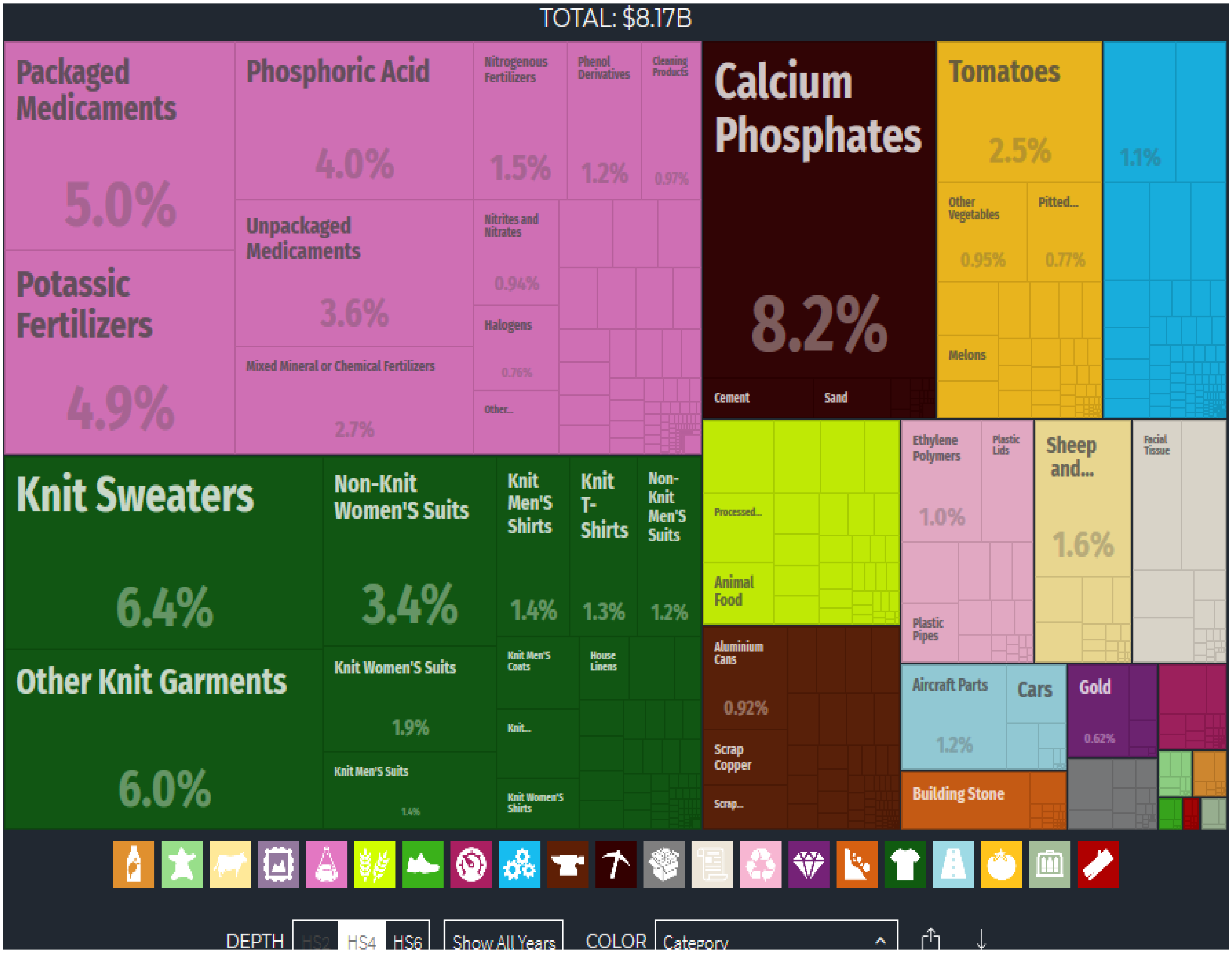
When one actually disaggregates the country's export basket into its component parts, the logic behind such a decline reveals itself. I have already discussed how the export processing zones that are at the heart of contemporary industrial, investment, and trade policy generate little beyond low skill, low sophistication garment exports. Combine those low complexity products with those of an agricultural sector reliant upon the export of non-processed, water-intensive produce and an industrial sector still dependent on volatile commodities like phosphates and potash[625] and one can see how the country's wider export basket comes to contain little in the way of technologically sophisticated, capital-intensive outputs.

<u>Jordan's Export Basket in 2017</u>

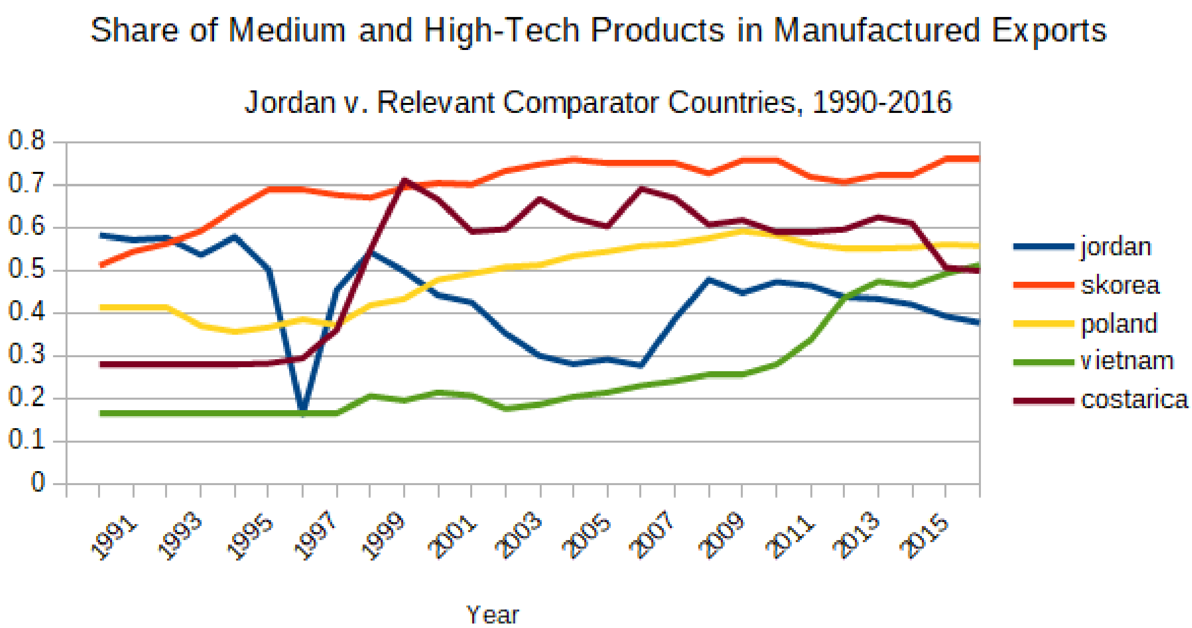


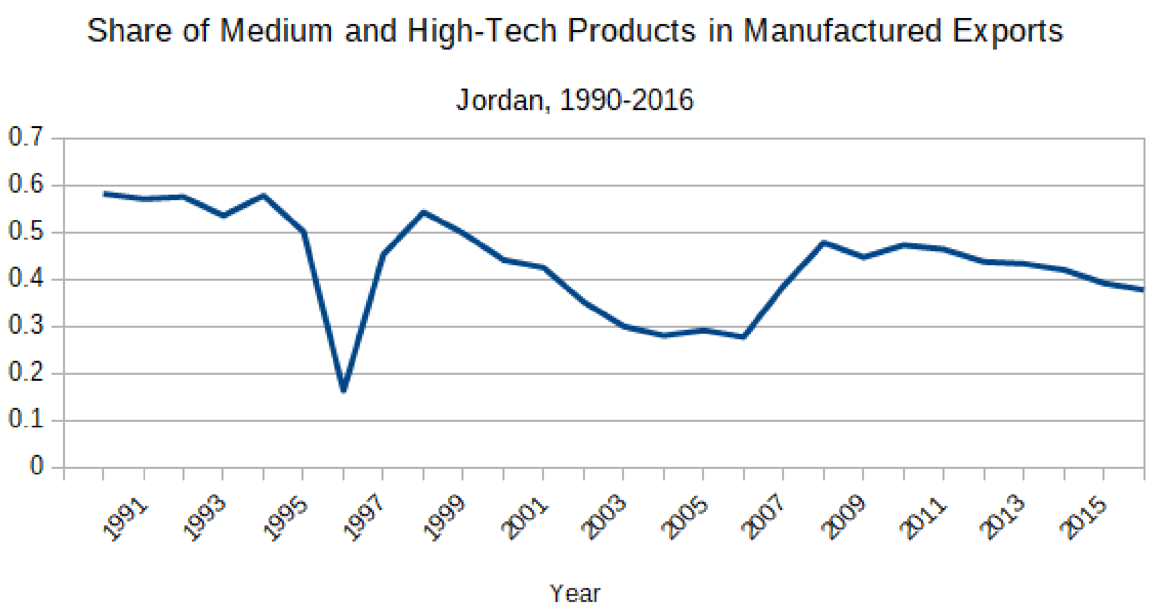
[625] As well as the low sophistication secondary products that can be derived from such commodities (such as fertilizer).

<u>Jordan's Export Basket 2017: Product Composition</u>



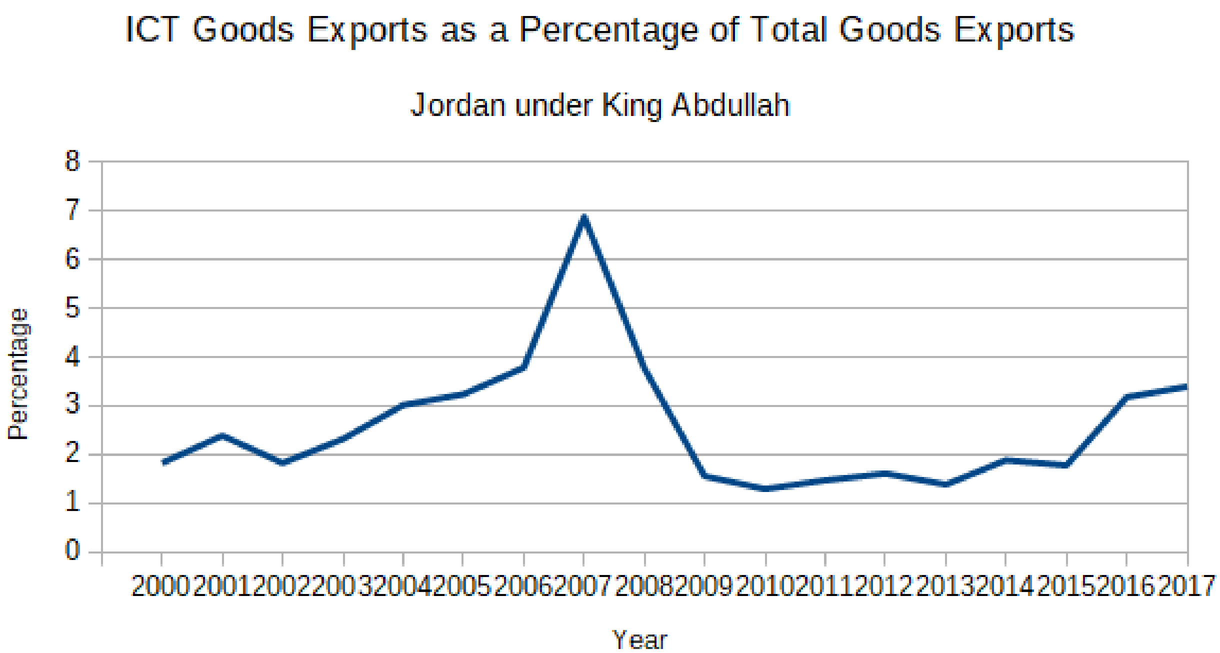
Jordan in Comparative Context: Manufacturing[626]

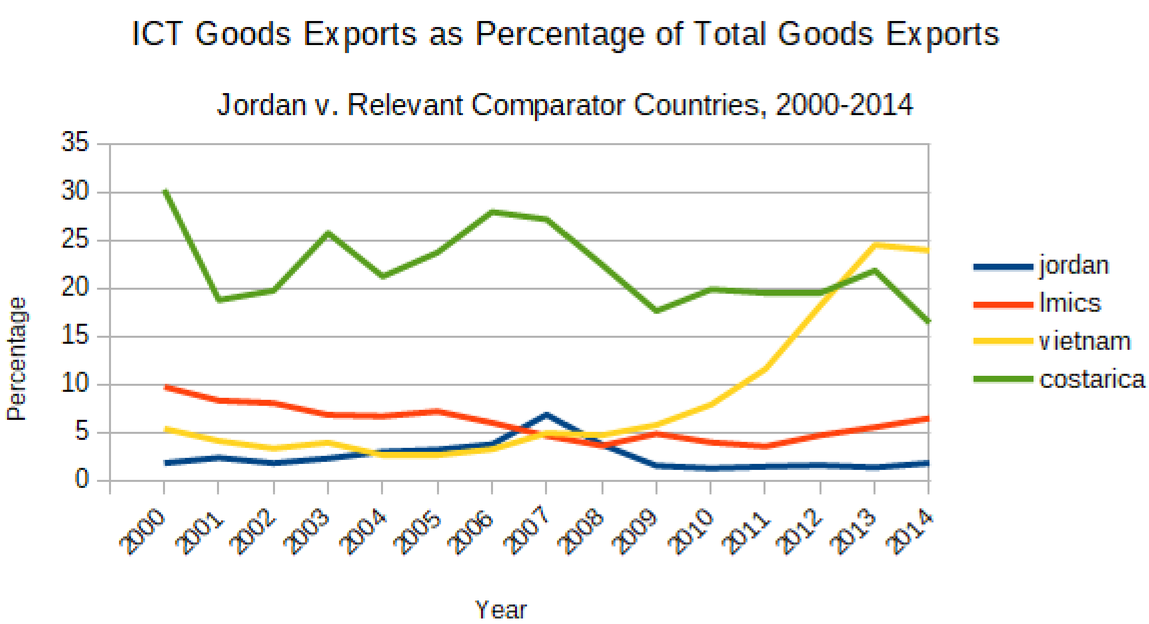




[626] Data for these two graphs provided by United Nations Industrial Development Organization.

Silicon Wadi? Jordan in ICT Trade[627]





[627] Data for two graphs provided by United Nations Conference on Trade and Development

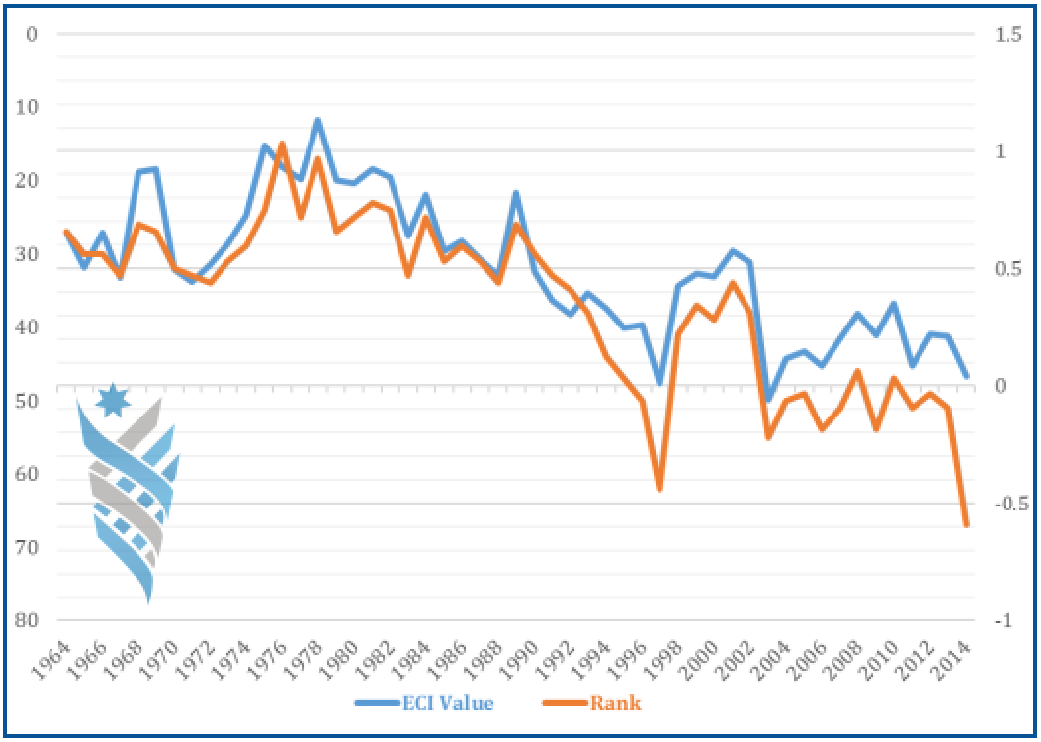
To make matters worse, methodological choices at the Observatory of Economic Complexity have actually inflated the complexity of Jordan's contemporary export basket. Specifically, the Observatory's calculations do not appraise the contributions that re-exports (i.e. goods not appreciably transformed within a national economy) are making to the complexity of a given country's export basket. Given that the index had been designed on the assumption that a country's exports offers an expression of the aggregate knowledge endogenous to that country at a given period of time, the Observatory's failure to control for re-exports presents a potentially confounding methodological error. Having discerned this methodological shortcoming, Ibrahim Saif and the Jordanian Strategy Forum (JSF) amended the Observatory's formula so to control for re-exports. As their research has shown, by discarding re-exports from the calculation of economic complexity, the complexity of the Jordanian export basket declines even further from what had been reported at the Observatory. Based on export data from 2014 provided by the Department of Statistics, their analysis shows the average complexity of a product in the Jordanian export basket to be roughly 50% the national average of German and Japan. This is low even relative to regional comparators like Egypt, whose export complexity exceeds Jordan's by roughly 20%.[628]

[628] See: Jordan Strategy Forum, *Jordan's Product Space: Part One.* Report, Amman (January 2017), p.27. According to the ECI's metrics (the calculation of which is detailed extensively in Annex 1), the average complexity of a Jordanian export was 9610. This figure was depressed considerably by the average complexity of Jordan's garment exports, which had a value of 4945. For comparison's sake, the average sophistication of a Japanese export in this same period was 18,117; for a German export, it was 17,781; for an Egyptian export, it was 11,164; and for a Moroccan export, it was 8704.

Sadly, little progress been made since Saif et al conducted their analysis—despite the author's considerable political connections and despite the JSF having made wide-ranging policy recommendations designed to help increase the complexity of Jordan's exports.[629] As the tables on the following pages evince, Jordan's export basket in 2018 remains wholly dominated by low sophistication garments, chemicals, and agricultural products. Structuring the economy towards a dependence on volatile commodities, food stuffs, and low value/low sophistication manufactures, Jordan's trade, investment, and industrial policies have condemned the country to decades of perdition in the lower-middle income trap.

[629] Regarding JSF's efforts, their strategic document detailed and targeted five goods within each export sector on the basis that (1) the targets are both proximate, or *connected* enough, to a good currently being produced so as to be within the endogenous capacity of the current economy and (2) that the targets would offer an opportunity for adding sophistication to the export basket. For example, the study might identify the production and exportation of canned tomatoes as a simple way to add complexity to a good (raw tomatoes) already being exported. In other words, they presented a complexification strategy wholly grounded in the principles of relative comparative advantage. Far from mapping some course whereby Jordan might somehow transform into a frontier technological hub within a few years, they lay out a pragmatic, incrementalist track, one not based on huge leaps forward but small steps wholly within the capacity of the current economy, be these steps sideward (diversification) or upward (sophistication) in nature. Despite the humility of their recommendations, they have still been ignored.

Figure (11): Jordan's ECI score and rank 1964-2014



Graph provided by Jordan Strategy Forum, *Jordan's Product Space: Part one,* p.7

External Trade Statistics of Jordan by Commodity Groups
Year/s: **2018**; Country : **Total (world)**
Commodity Classification: **Harmonized Commodity And Coding System (H.S.)**

Sorting Order Ascending SORT

Code	Commodity_Description	Year	Domestic Export: Value F.O.B. in J.D.	% of Total Dom. Exports (Value) of Specified Commodity	% of Total Dom. Exports (Value)	Re-Export: Value F.O.B. in J.D.	% of Total Re-Exports (Value) of Specified Commodity	% of Total Re-Exports (Value)
I	Live animals; animal products	2018	133,293,595	100.00	2.85	12,906,841	100.00	1.56
II	Vegetable products	2018	343,052,819	100.00	7.34	98,816,105	100.00	11.93
III	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; prepared animal or vegetable waxes	2018	2,840,132	100.00	0.06	546,083	100.00	0.07
IV	Prepared foodstuffs;beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes	2018	241,490,930	100.00	5.17	24,624,660	100.00	2.97
V	Mineral products	2018	397,024,723	100.00	8.49	6,566,103	100.00	0.79
VI	Products of the chemical or allied industries	2018	1,503,677,175	100.00	32.17	59,761,909	100.00	7.22
VII	Plastics and articles thereof; rubber and articles thereof	2018	119,228,897	100.00	2.55	76,095,742	100.00	9.19
VIII	Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods. handbags and similiar containers; articles of animal gut (other than silk-worm gut)	2018	3,168,328	100.00	0.07	1,055,659	100.00	0.13

IX	Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw of esparto or of other plaiting materials; basketware and wickerwork	2018	3,610,597	100.00	0.08	2,421,503	100.00	0.29
X	Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard; paper and paperboard and articles thereof	2018	109,812,231	100.00	2.35	5,183,184	100.00	0.63
XI	Textiles and textile articles	2018	1,262,678,495	100.00	27.01	22,555,295	100.00	2.72
XII	Footwear, headgear, umbrellas,sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair	2018	479,178	100.00	0.01	2,946,898	100.00	0.36
XIII	Articles of stone,plaster, cement, asbestos mica or similar materials; ceramic products; glass and glassware	2018	38,975,862	100.00	0.83	3,329,598	100.00	0.40
XIV	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewellery;coin	2018	87,891,480	100.00	1.88	6,241,555	100.00	0.75
XV	Base metals and articles of base metals	2018	202,966,610	100.00	4.34	29,087,804	100.00	3.51
XVI	Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	2018	180,418,027	100.00	3.86	187,230,923	100.00	22.61

XVII	Vehicles, aircraft, vessels and associated transport equipment	2018	6,273,747	100.00	0.13	208,859,912	100.00	25.23
XVIII	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; clocks and watches; musical instruments; parts and accessories thereof	2018	464,281	100.00	0.01	55,279,996	100.00	6.68
XX	Miscellaneous manufactured articles	2018	35,509,219	100.00	0.76	23,127,604	100.00	2.79
XXI	Works of art, collectors' pieces and antiques	2018	104,270	100.00	0.00	268,402	100.00	0.03
	Unspecified	2018	1,745,746	100.00	0.04	1,073,359	100.00	0.13

Tables provided by Jordanian Department of Statistics

(3) Gulf-based investors acquiring of increasing shares of the domestic capital stock --> FDI's allocation into non-productive sectors

The liberalization of Jordan's capital account, as well as the various initiatives through which the country's policymakers have attempted to recruit foreign direct investment (FDI), have not yielded investment inflows conducive to long-term development. Rather than facilitate the kinds of investment that are propitious to technological transfers—and rather than conditionalize the incentives offered to foreign capital so to push investment into productive sectors and high complexity activities—, this dimension of Jordan's economic opening has primarily functioned so to expedite the recycling of Gulf-originating petrodollars. As has been mentioned throughout this text, such petrodollars are typically funneled into either speculative projects in the built environment and/or commodity extraction.[630] Evidence of this, data from the Financial Times establishes that a full 40.7% of aggregate FDI in the 2003-2015 period ended up allocated to the Jordanian real estate sector; another 29.6% flowed into the oil and gas sector, while 9.1% was directed into chemical-based commodities. [631]

Such developmentally spurious allocationary patterns are even more pronounced in the domain of greenfield investment. As determined by the United Nations Conference on Trade and Development, the firms leading inbound greenfield investment in Jordan are almost exclusively operating in the fields of luxury tourism (namely, hotels) and commercial and residential real estate. While inflating markets for speculative non-tradables and lending further volatility to the markets of extractive industries, then, empirically speaking, FDI's impact on job creation[632], industrial upgrading, export diversification, and technological transfers has proven unsurprisingly negligible.

Top 10 companies investing in Jordan between January 2003 and May 2015

Rank	Company	Projects	Jobs Created	Cost (Million $)
1	Al Maabar International	3	4,750	10,877
2	Emaar Properties	6	4,875	1,453
3	Al Khaleej Development (Tameer)	3	3,142	802
4	Gulf Finance House (GFH)	3	1,001	645
5	Zain (Mobile Telecommunications Company) (MTC)	4	278	256
6	Total Co.	4	1,105	155
7	InterContinental Hotels Group (IHG)	3	509	145
8	AP Moller - Maersk	3	257	142
9	Kuwait Projects (KIPCO)	6	138	137
10	Dubai Islamic Bank (DIB)	7	112	106
	Other Companies	265	48,892	28,741
	Total	307	65,059	43,459

*Table provided by United Nations Conference on Trade and Development.

630 For more details on this phenomenon across the Middle East, see Hanieh (2016).

631 Data drawn from *The Financial Times'* FDI Markets database.

632 The vast majority of the workers employed in the construction sector are non-Jordanian. Accordingly, the building of real estate projects, etc., does little for *domestic* job creation.

Foreign direct investment (FDI) overview, selected years

(Millions of dollars and per cent)

FDI flows	2005–2007 (Pre-crisis annual average)	2014	2015	2016	2017	as a percentage of gross fixed capital formation 2005–2007 (Pre-crisis annual average)	2015	2016	2017
Jordan									
Inward	**2 717**	**2 178**	**1 600**	**1 553**	**1 665**	**65.8**	**22.1**	**20.2**	**19.4**
Outward	***24***	***83***	***1***	***3***	***7***	***0.6***	**-**	**-**	**-**
Memorandum									
Syrian Arab Republic									
Inward	828	-	-	-	-	11.2	-	-	-
Outward	-	-	-	-	-	-	-	-	-
Turkey									
Inward	17 421	12 739	17 717	12 942	10 864	10.9	6.9	5.1	4.4
Outward	*1 365*	*6 670*	*4 811*	*2 746*	*2 630*	*0.9*	*1.9*	*1.1*	*1.1*
West Asia									
Inward	63 846	31 458	30 150	30 759	25 506	16.9	4.0	4.2	3.3
Outward	*23 005*	*22 825*	*40 698*	*37 458*	*33 281*	*6.1*	*5.4*	*5.2*	*4.4*
Asia and Oceania									
Inward	291 371	462 248	518 166	477 270	477 549	10.7	6.7	6.2	5.9
Outward	*160 343*	*413 358*	*359 765*	*386 097*	*351 369*	*5.9*	*4.7*	*5.0*	*4.3*
Developing economies *									
Inward	419 061	685 292	744 032	670 158	670 658	11.6	8.0	7.4	7.0
Outward	*196 092*	*457 994*	*406 237*	*406 668*	*380 775*	*5.4*	*4.4*	*4.5*	*4.0*
World *									
Inward	1 415 431	1 338 532	1 921 306	1 867 533	1 429 807	11.4	10.4	10.1	7.4
Outward	*1 451 593*	*1 262 007*	*1 621 890*	*1 473 283*	*1 429 972*	*11.7*	*8.8*	*8.0*	*7.4*

FDI stock	1995	2014	2015	2016	2017	as a percentage of gross domestic product 1995	2015	2016	2017
Jordan									
Inward	**1 379**	**29 059**	**30 629**	**32 163**	**33 886**	**20.7**	**81.5**	**83.0**	**83.7**
Outward	***64***	***608***	***609***	***613***	***619***	***1.0***	***1.6***	***1.6***	***1.5***
Memorandum									
Syrian Arab Republic									
Inward	460	10 743	10 743	10 743	10 743	2.8	-	-	-
Outward	-	*5*	*5*	*5*	*5*	-	-	-	-
Turkey									
Inward	14 933	183 038	158 108	143 199	180 697	6.4	18.4	16.7	22.8
Outward	*1 418*	*39 569*	*35 673*	*38 702*	*41 403*	*0.6*	*4.2*	*4.5*	*5.2*
West Asia									
Inward	43 339	706 789	700 334	709 260	765 532	5.3	22.3	23.1	28.6
Outward	*9 181*	*278 178*	*315 096*	*348 893*	*374 570*	*1.8*	*10.2*	*11.5*	*14.2*
Asia and Oceania									
Inward	574 109	5 730 319	6 045 019	6 394 800	7 292 268	14.6	27.0	28.2	31.4
Outward	*211 713*	*4 263 570*	*4 691 508*	*5 110 895*	*5 719 791*	*6.0*	*21.2*	*22.8*	*24.8*
Developing economies *									
Inward	842 659	8 452 641	8 677 872	9 234 028	10 353 481	13.0	29.1	30.9	33.6
Outward	*312 372*	*5 210 405*	*5 644 300*	*6 130 830*	*6 898 384*	*5.2*	*19.2*	*20.9*	*22.7*
World *									
Inward	3 564 636	25 378 774	25 664 955	27 663 091	31 524 356	11.1	34.1	36.3	40.4
Outward	*3 993 675*	*25 128 561*	*25 514 309*	*26 825 621*	*30 837 927*	*12.8*	*34.2*	*35.5*	*39.8*

Source: UNCTAD, *World Investment Report 2018*; **http://unctad.org/wir** or **http://unctad.org/fdistatistics.**

Before closing on FDI in particular, it is also worth emphasizing that such inflows have never been of the magnitude necessary to make up for declines in public investment (see table on next page)—declines that have been part and parcel of *Generation Abdullah's* neoliberally-oriented fiscal consolidation initiatives. By consequence, the state's FDI-dependent investment strategy is also implicated in the depreciation of the contemporary economy's capital stock.

Moving beyond FDI and into questions related to Gulf capital/Gulf investment's more general effects on the Jordanian economy, a number of points are worth making. Regarding the magnitude of Gulf capital in Jordan, an analysis of the Amman Stock Exchange reveals that Gulf investors now control roughly 40% of the total equity held in Jordan's publicly traded firms.[633] Disaggregating this data further, one sees that this 40% is itself controlled by an exceedingly small group of individuals. Per the Securities Depository Center, as of March 2019, a mere 377 Qataris were holding 5.8% of the total equity on the ASE; 3,000 Kuwaitis held a 5.7% aggregate equity share; 134 Bahrainis held a 4.24% aggregate equity share; and a comparatively numerous 2,500 Saudis held a 6.2% aggregate equity share. In addition, it is worth noting that thirty-three "residents" of the Cayman Islands hold 3.9% of the total equity value, a figure rather starkly suggest the magnitude of Jordan's involvement with the kinds of tax evasion revealed by the Panama Papers and discussed in chapter eight.

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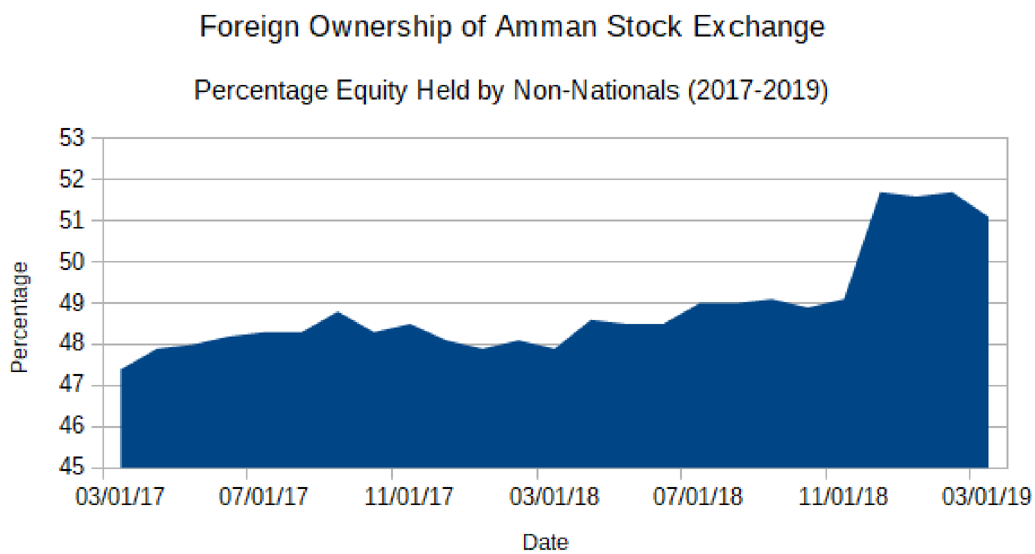
633 Non-Jordanian investors more generally have controlled between 48% and 51.7% of the total equity in the ASE. See: https://www.ase.com.jo/en/Quotes-Market/Market-Performance/Foreign-Investment-Activity for more details



Country	Shareholders	Securities	Total Value (JD)
Saudi Arabia	2503	387667360	987,253,927
Kuwait	2875	223358573	840,771,002
Qatar	383	183039961	786,706,464
Bahrain	129	339646400	658,390,147
Lebanon	1165	210388137	397,181,640
UAE	389	109725324	241,859,065

Data provided by Securities Depository Center; Figures accurate as of 8/31/2019

These Gulf investors are heavily leveraged within the Jordanian banking sector—more specifically, within the sector's largest institutions, namely Arab Bank, Jordan Kuwait Bank, the Housing Bank for Trade and Finance, Ahli Bank, Bank of Jordan, and Cairo Amman Bank—, as the tables on the following pages detail. Allowing such actors to imbue if not subsume/reconstitute

Jordanian financial capital's fundamental orientation, interests, and relationality to regional and global systems of production, distribution, and investment, the Gulf's positioning in the banking sector is a central mechanism within the larger engineering of Jordan's class-biased, crisis-oriented capitalism.

Investors Owning More than 1% Equity

Jordan Islamic Bank

Serial	Investor Name	Nationality	Equity Share
1	شركة مجموعة البركة المصرفية	Bahraini	66.005
2	المؤسسة العامة للضمان الاجتماعي	Jordanian	5.001
3	حسين بن محسن بن حسين الحارثي	Saudi Arabian	2.117
4	هاني مسعود درويش احمد	Jordanian	1.327
5	صندوق الحج	Jordanian	1.268
Total			**75.718**

Showing 1 to 5 of 5 entries

Jordan Kuwait Bank

Serial	Investor Name	Nationality	%
1	شركة الروابي المتحده القابضه	Kuwaiti	50.927
2	المؤسسة العامة للضمان الاجتماعي	Jordanian	21.042
3	Odyssey Reinsurance Company	American	5.85
4	Kuwait Wealth Holding Ltd	British Virgin Islander	2.421
Total			**75.718**

Showing 1 to 4 of 4 entries

Jordan Commercial Bank

Serial	Investor Name	Nationality	%
1	شركة الصالح القابضة للاستثمار المحدودة	Saudi Arabian	26.5
2	المؤسسة العامة للضمان الاجتماعي	Jordanian	19.84
3	شركة الاردن الاولى للاستثمار	Jordanian	12.285
4	ميشيل فايق ابراهيم الصايغ	Jordanian	10.704
5	ابراهيم فائق ابراهيم الصايغ	Jordanian	10.074
6	سامر سليم فايق الصايغ	Jordanian	5.745
7	سامي سليم فايق الصايغ	Jordanian	3.024
8	سمر سليم فايق الصايغ	Jordanian	1.512
9	شركة الاصباغ الوطنية القابضة	Emirati	1.381
10	نهى ميشال موسى حداد	Jordanian	1.08
Total			**75.718**

Showing 1 to 10 of 10 entries

The Housing Bank for Trade & Finance

Serial	Investor Name	Nationality	%
1	بنك قطر الوطني	Qatari	34.481
2	شركة المجموعة الاستثمارية العقارية الكويتية	Kuwaiti	18.609
3	المصرف الليبي الخارجي	Libyan	17.242
4	المؤسسة العامة للضمان الاجتماعي	Jordanian	15.392
5	Iran Foreign Investments Company	Iranian	4.628
6	صندوق الاحتياطي العام للدولة بسلطنة عمان	Omani	2.976
Total			**75.718**

Beit Al Mal Saving & Investment for Housing

Serial	Investor Name	Nationality	%
1	معاويه هشام بدر الدين ظبيان	Jordanian	24.123
2	منى هشام بدر الدين ظبيان	Jordanian	9.502
3	طلال ابراهيم نزال العرموطي	Jordanian	3.22
4	الشركة الوفية للاستثمار	Jordanian	2.5
5	شركة مجموعة المركز الاردني الدولي للاستثمار	Jordanian	2.5
6	يوسف عبد الله عبد حياصات	Jordanian	1.949
7	نهله رشاد عبد الرزاق البرجكلي	Jordanian	1.133
8	حاتم صافي مصطفى غيث	Jordanian	1.025
Total			**75.718**

Showing 1 to 8 of 8 entries

Jordan Ahli Bank

Serial	Investor Name	Nationality	%
1	بنك بيبلوس	Lebanese	10.381
2	المؤسسة العامة للضمان الاجتماعي	Jordanian	10.001
3	شركة مصانع الاجواخ الاردنية	Jordanian	6.452
4	شركة مركز المستثمر الاردني	Jordanian	5.558
5	عماد يوسف عيسى المعشر	Jordanian	3.653
6	نديم يوسف عيسى المعشر	Jordanian	3.636
7	شركة تصنيع الاقمشة والاجواخ الاردنية	Jordanian	2.551
8	صديق عمر هاشم ابو سيدو	Jordanian	1.456
9	شركة النبيل للتجارة وادارة الاستثمارات	Jordanian	1.419
10	مصطفى ضياء حبيب	Iraqi	1.333
11	رفيق صالح عيسى المعشر	Jordanian	1.296
12	سعد نبيل يوسف المعشر	Jordanian	1.217
13	يوسف نبيل يوسف المعشر	Jordanian	1.143
14	ابراهيم نبيل يوسف المعشر	Jordanian	1.128
15	محمود بن زهدي بن محمود ملحس	Saudi Arabian	1.115
16	باسم غانم هارون شحاده	Jordanian	1.089
17	شركة الرجاء للاستثمار	Jordanian	1.078
Total			**75.718**

Showing 1 to 17 of 17 entries

Islamic International Arab Bank

Serial	Investor Name	Nationality	%
1	البنك العربي	Jordanian	100
Total			**75.718**

Showing 1 to 1 of 1 entries

Arab Bank

Serial	Investor Name	Nationality	%
1	المؤسسة العامة للضمان الاجتماعي	Jordanian	16.986
2	مؤسسة عبد الحميد شومان	Jordanian	4.997
3	صبيح طاهر درويش المصري	Jordanian	4.527
4	وزارة مالية المملكة العربية السعودية	Saudi Arabian	4.494
5	مسلم بن علي بن حسين مسلم	Saudi Arabian	3.543
6	شركة الاتصالات الفلسطينيه	Palestinian	3.121
7	شركة المسيره الدوليه	Bahraini	2.722
8	ـركة دار الهندسة للتصميم والاستشارات الفنية شاعر ومشاركوه	Emirati	2.124
9	وزارة المالية القطرية	Qatari	1.649
10	ناصر بن ابراهيم بن رشيد الرشيد	Saudi Arabian	1.397
11	Bankmed Suisse Sa	Swiss	1.095
12	Palestine Development And Investment Ltd	Liberian	1.092
13	مارى عيسى الياس اللوصي	Jordanian	1.021
Total			**75.718**

Arab Banking Corporation (Jordan)

Serial	Investor Name	Nationality	%
1	المؤسسة العربية المصرفية	Bahraini	86.979
2	المؤسسة العامة للضمان الاجتماعي	Jordanian	2.051
3	الشركة الدولية الكويتية للاستثمار	Kuwaiti	1.327
Total			**75.718**

Showing 1 to 3 of 3 entries

Invest Bank

Serial	Investor Name	Nationality	%
1	شركة بنك فلسطين	Palestinian	9.421
2	عبد الرحيم نزار عبد الرحيم جردانه	Jordanian	8.918
3	شركة المدار العالمي للاستثمارات	Jordanian	7.35
4	زينه نزار عبد الرحيم جردانه	Jordanian	6.515
5	فهمي بن فائق بن فهمي ابو خضراء	Saudi Arabian	5.994
6	رغده حمدى خليل منكو	Jordanian	5.843
7	سامر بن فائق بن فهمي ابو خضراء	Saudi Arabian	5.733
8	حازم بن فائق بن فهمي ابو خضراء	Saudi Arabian	5.733
9	ايهاب شفيق فرحان جميعان	Jordanian	4.975
10	لينا نزار عبد الرحيم جردانه	Jordanian	4.681
11	The Congress Foundation	Liechtenstein	3.656
12	تمارا سعد خلف التل	Jordanian	2.311
13	زينا سعد خلف التل	Jordanian	2.311
14	شركة الاستثمارات العامة	Jordanian	2.176
15	نبيل هاني جميل القدومي	Kuwaiti	2.154
16	سعد هاني جميل القدومي	Kuwaiti	1.851
17	الشركة المتحدة للتامين	Jordanian	1.598
18	شركة مطاحن الزرقاء الكبرى	Jordanian	1.316
Total			**75.718**

Showing 1 to 18 of 18 entries

Capital Bank of Jordan

Serial	Investor Name	Nationality	%
1	سعد عاصم عبود الجنابي	Iraqi	9.762
2	المؤسسة العامة للضمان الاجتماعي	Jordanian	9.272
3	سعيد سميح طالب دروزه	Jordanian	8.035
4	International Finance Corporation	International	6.918
5	شركة الاستثمارات و الصناعات المتكاملة قابضة	Jordanian	5.037
6	عبدالله سعد عاصم الجنابي	Iraqi	4.989
7	باسم خليل سالم السالم	Jordanian	4.918
8	Sara International Holdings Ltd	Caymanian	4.429
9	محمد بن مساعد بن سيف السيف	Saudi Arabian	4.248
10	شركة هتاف للاستثمار	Jordanian	3.024
11	عاصم سعد عاصم الجنابي	Iraqi	2.417
12	Darhold Limited	Channel Islander (jersey)	1.769
13	مازن سميح طالب دروزه	Jordanian	1.746
14	محمد علي خلدون ساطع الحصري	Jordanian	1.512
15	علي عاصم عبود الجنابي	Iraqi	1.322
16	شركة سعد ابوجابر واولاده	Jordanian	1.321
17	رعد عاصم عبود الجنابي	Iraqi	1.319
18	اكرام عدنان احمد البيطار	Jordanian	1.21
19	محمد يوسف صالح الطراونه	Jordanian	1.038
Total			**75.718**

Societe Generale De Banque (Jordanie)

Serial	Investor Name	Nationality	%
1	بنك سوسيته جنرال في لبنان	Lebanese	87.665
2	Summerbank International Inc	British Virgin Islander	2.449
3	Regents Universal Management Inc	British Virgin Islander	2.317
4	احمد ابراهيم خليل منكو	Jordanian	2.023
5	تمام حسان حمدى منكو	Jordanian	1.052
6	غاليه حسان حمدى منكو	Jordanian	1.051
Total			**75.718**

Showing 1 to 6 of 6 entries

Cairo Amman Bank

Serial	Investor Name	Nationality	%
1	شركة المسيرة للاستثمار	Jordanian	11.388
2	بنك مصر	Egyptian	10.778
3	شركة المسيره الدوليه	Bahraini	10.545
4	المؤسسة العامة للضمان الاجتماعي	Jordanian	7.207
5	شركة الاتصالات الفلسطينيه	Palestinian	5.877
6	صبيح طاهر درويش المصري	Jordanian	5.214
7	شركة الظافر للاستثمار	Jordanian	4.282
8	The Congress Foundation	Liechtenstein	4.002
9	ياسين خليل محمد ياسين التلهوني	Jordanian	2.628
10	الشركة العربية للتموين و التجارة	Saudi Arabian	2.039
11	رلى خليل محمد ياسين التلهوني	Jordanian	1.888
12	Kuwait Wealth Holding Ltd	British Virgin Islander	1.685
13	لاناجين منيب عبد الرحمن ماضي	Jordanian	1.416
14	Kuwait Projects Prospector Ltd	British Virgin Islander	1.163
15	شركة الشرق الاوسط للتامين	Jordanian	1.128
16	عبير بنت نافذ بن صالح مصطفى	Saudi Arabian	1.111
17	نجوى بنت نافذ بن صالح مصطفى	Saudi Arabian	1.111
18	زينه بنت نافذ بن صالح مصطفى	Saudi Arabian	1.111
19	رولا بنت نافذ بن صالح مصطفى	Saudi Arabian	1.111
20	حمزه خليل محمد ياسين التلهوني	Jordanian	1.11
21	مارى عيسى الياس اللوصي	Jordanian	1.056
Total			**75.718**

Showing 1 to 21 of 21 entries

Bank of Jordan

Serial	Investor Name	Nationality	%
1	شركة الفراعنة الدوليه للاستثمارات الصناعية	Jordanian	9.883
2	Al Loloua For General Investments	Caymanian	9
3	Arab Gulf For General Investments	Caymanian	9
4	Alyamama For General Investments	Caymanian	8.686
5	Al Eqbal For General Invesments	Caymanian	8
6	Al Arrakka For General Investments	Caymanian	6.116
7	المصرف الليبي الخارجي	Libyan	4.545
8	غرم الله بن رداد بن سعيد الزهراني	Saudi Arabian	4.017
9	عواطف محمد ذيب المصرى	Jordanian	2.802
10	شاكر توفيق شاكر فاخوري	Jordanian	2.696
11	حسني جلال حسني الكردى	Jordanian	1.957
12	مها نصري خليل ناصر	Jordanian	1.5
Total			**75.718**

Showing 1 to 12 of 12 entries

Arab Jordan Investment Bank

Serial	Investor Name	Nationality	%
1	عبدالقادر عبدالله احمد القاضي	Jordanian	16.294
2	المصرف الليبي الخارجي	Libyan	12.791
3	الشركة العربية للاستثمار	Saudi Arabian	10.25
4	الشيخ حمد بن جاسم بن جبر ال ثاني	Qatari	9.091
5	سهاد صلاح سعيد النحوي	Jordanian	4.97
6	محمود خليل عبد الرحمن ابو الرب	Jordanian	4.731
7	هاني عبدالقادر عبدالله القاضي	Jordanian	4.582
8	سامر عبدالقادر عبدالله القاضي	Jordanian	4.216
9	المؤسسة العامة للضمان الاجتماعي	Jordanian	4.083
10	وائل عبدالقادر عبدالله القاضي	Jordanian	3.75
11	البنك العربي	Jordanian	1.57
12	راضي شاكر درويش النتشه	Jordanian	1.5
13	فتحي قاسم الحاج سمايه سمايه	Jordanian	1.333
14	خليل محمود خليل ابو الرب	Jordanian	1.133
15	ظافر صلاح سعيد النحوي	Jordanian	1.017
16	يوسف احمد حسن ابو غيده	Jordanian	1
Total			**75.718**

Showing 1 to 16 of 16 entries

Safwa Islamic Bank

Serial	Investor Name	Nationality	%
1	شركة الاتحاد الاسلامي للاستثمار	Jordanian	61.794
2	المؤسسة العامة للضمان الاجتماعي	Jordanian	9.057
3	شركة ادارة المساهمات الحكومية	Jordanian	5.55
4	مؤسسة تنمية اموال الايتام	Jordanian	4.925
5	علي احمد علي الحكيم	Jordanian	1.154
6	تمارا سعد خلف التل	Jordanian	1.029
7	زينا سعد خلف التل	Jordanian	1.029
Total			**75.718**

Showing 1 to 7 of 7 entries

Bank Al Etihad

Serial	Investor Name	Nationality	%
1	بنك لبنان والمهجر	Lebanese	22.219
2	الشركة الليبية للاستثمارات الخارجية	Libyan	20.259
3	RS Finance	Caymanian	15.094
4	عصام حليم جريس سلفيتي	Jordanian	7.942
5	المؤسسة العامة للضمان الاجتماعي	Jordanian	5.296
6	شركة وادي الاردن لتنمية الثروة الحيوانية	Jordanian	2.829
7	وداد ايوب عوده الله الخوري	Jordanian	2.795
8	الشركة المركزيه للتجاره والمركبات	Jordanian	2.201
9	صندوق ادخار موظفي ومستخدمي بنك الاتحاد للادخار والاستثما	Jordanian	1.972
10	ساميه سليمان يوسف السكر	Jordanian	1.878
11	ساميه حليم جريس السلفيتي	Jordanian	1.189
12	بنك لبنان والمهجر للاعمال	Lebanese	1.179
13	رمزي رؤوف جريس سلفيتي	Jordanian	1.104
Total			**75.718**

The developmental, political, and social risks introduced by the Gulf's colonization of the Jordanian economy are profound and multifaceted. One need begin, of course, with fundamental matters of sovereignty. By virtue of the hegemonic positions established by Gulf investors within the banking sector and other critical sectors of the economy[634], they have acquired de facto veto power within the development policymaking process. With the specter of their capital flight sufficient to threaten a totalizing economic collapse, this power allows said actors to (tacitly or explicitly) discipline Jordanian officials and thereby hem in the alternative futures those officials might otherwise imagine. As any policy design need now be evaluated according to how it may affect the interests of foreign capital, this loss of sovereignty means that even those policymakers who might otherwise be inclined to buck Jordan's neoliberal trajectories will find precious little opportunity for doing so.

Then there is the matter of what, precisely, constitutes the interests of Gulf capital. Ultimately, this is a class of actors acutely predisposed towards investments in the built environment and other speculative non-tradables (including financial assets).[635] By consequence, the Gulf's widening hegemony in Jordan necessarily deprives the domestic economy of the productive and technologically sophisticated investments it needs to power long-term

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634 Foreign investments in Jordan now constitute roughly 84% of national GDP.

635 The reasons for the lack of technological transfers or knowledge upgrades are many. To begin, as Hanieh has theorized and documented, Gulf capital is sui generis in that its preponderance has nothing to do with the region's proximity to the global technological frontier. Where similarly wealthy countries have accumulated their capital stock through productive activities and innovation (in addition, of course, to the extraction of resources from the global south), the Gulf has acquired its almost exclusively through the exportation of gas and oil. This being the case, Gulf investors offer little expertise and have little experience with more sophisticated industries. In addition, as petrodollars derived from the sale of oil and gas tend to be recycled into real estate and financial markets—rather than in markets based in productive activities—, the receipt of Gulf investment also contributes little to a country's industrial upgrading.

development as well.[636] With Gulf inflows almost exclusively parked in financial assets or in quick hitting real estate projects—and with these inflows certain to transfer little in the way of knowledge or technology—, their arrival ultimately advances little beyond the vacationing interests of wealthy *Khaliji* sheikhs and the geopolitical interests of reactionary despots (in the case of the Aqaba Port).

(6) Brain Drain + Remittances

Finally, no survey of the external articulation of Jordan's SSA would be complete without considering its migratory dimensions. As was previously discussed, Jordan's position within the migratory networks of a relatively integrated regional labor market has historically implied a two-sided exchange of (low-skill) inflows and (high-skill) outflows. Though marked by some minor changes, this system of exchange continues to function today.

On the inflows side, Jordan still welcomes hundreds of thousands (if not millions) of low skilled laborers from Egypt. Constituting an implicit subsidy for the construction, real estate, agricultural, and EPZ-based manufacturing sectors, these foreign laborers prop up profits for

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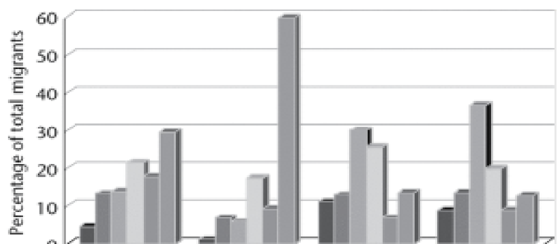
636 Some of these tendencies (and their developmental effects) are evinced in Jordan's rates of gross fixed capital formation (GFCF) under Abdullah—a measure that has historically been predictive of (and causally implicated in) long wave trends in GDP growth. Whereas FDI flows had provided for 42% of Jordan's GFCF between 2000 and 2008—a figure that increased to 65.8% during the peak of the Gulf's speculation in the Jordanian built environment (2005-2007)—, by 2017, foreign investment was contributing a mere 19.4% to GFCF. With domestic capital unable to make up the difference, these reductions have proven deeply impactful for the long-term prospects of Jordanian capitalism.
See: United Nations Conference on Trade and Development, *World Investment Report 2018: Investment and New Industrial Policies.*
Coester (2015), p.7

privileged fractions of the country's transnational capital class. On the outflows side, meanwhile, Jordan sends a slightly lesser number—roughly 600,000 in total—comprised of high-skilled, high-educated workers to Saudi Arabia[637], the UAE, Qatar, and Kuwait.[638]

<u>Education Levels of the Jordanian Workforce: Home v. the Diaspora[639]</u>



	Returnee	Current emigrant	Immigrant	Non-migrant
Illiterate	4.44	1.15	11.12	8.84
Read and write	13.31	6.89	12.95	13.32
Basic	13.69	5.75	30.06	36.7
Secondary	21.51	17.24	25.58	19.79
Post-secondary	17.68	9.20	6.8	8.7
University and higher	29.38	59.77	13.49	12.63

Figure 6.7 . Educational levels by migration status (%)

Source: Author's calculation based on JLMPS (2010).

637 It should be said that Saudi Arabia's immigration policies have tightened in recent years as the state has moved to nationalize its labor force. That said, more than 300,000 Jordanians continue to work in Saudi Arabia as of 2017.

638 As of 2017, there was an estimated 558,846 Jordanians working in the Gulf, with roughly 61% based in Saudi Arabia, 14.1% in the UAE, 12.5% in Qatar, 6.1% in Oman, and 3.7% in Kuwait (Jordan Strategy Forum, *Jordanian Expatriates in the Gulf: Who Remits, How Much, and Why?* Report: July 2018, pp.10,12).

62% of Jordan's émigré workers hold college degrees, a figure well in excess of the respective portion for Jordanian workers laboring in the domestic market (Wahba (2014, p.174). Jordanian émigrés to the Gulf are even more highly educated. As of 2014—and as documented by the Jordan Strategy Forum—, 66% of Jordanian workers in the Gulf held an undergraduate degree, 14.5% held a Masters, and 3.9% a PhD (*Jordanian Expatriates...,*p.4).

639 Table and graph provided by Jackline Wahba, "Immigration, Emigration, and the Labor Market in Jordan" in Raguib Assaad (ed.) *The Jordanian Labor Market in the New Millenium,* Oxford University Press (2014), p.180

The effects of these inflows and outflows on the country's human capital stock—and on the economy's prospects of moving towards a *knowledge economy*—should be obvious enough. In a nutshell, Jordan is exporting a high percentage of its high skilled labor force while importing large magnitudes of low skilled workers. What makes this (state-backed) brain drain even sadder is the fact that it also functions as a de facto public subsidy for Gulf capital. After all, approximately 50% of Jordan's Gulf-bound émigrés receive their college degrees from Jordanian public universities.[640] To the extent that public finances and taxpayer receipts are footing the bill that covers the training of these individuals (at least in part) only to see the benefits derived from such training accrue to firms in Dubai, Riyadh, and Doha, the illogic of the state's immigration policies are rendered even more pronounced.[641]

Of course, the effects of Jordan's brain drain are partially offset by receipt of Gulf-originating remittances, which help sustain domestic consumption and prop up aggregate demand.[642] The table on the next page gives some indication of their magnitude. If somewhat useful in the immediate, however, one must note that the developmental effects of these remittances are rather dubious. They are directly problematic in that they function both so to inflate the housing market and so to increase demand for imported consumer goods (while

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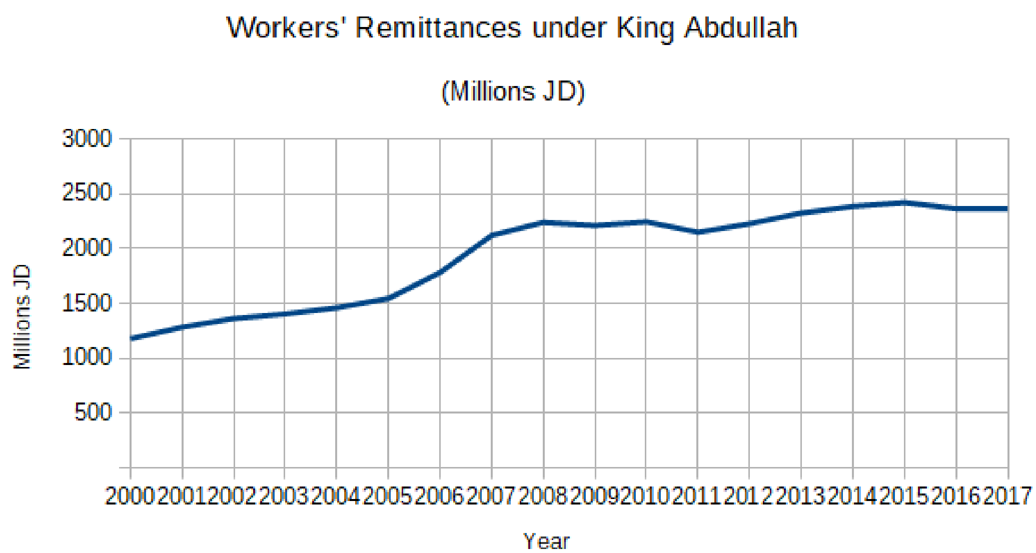
640 *Jordanian Expatriates…*, p.11

641 From the point of view of the Jordanian laborer, the reasons for emigration are obvious enough. The mean income of Jordanian expatriots working in the Gulf was 38,734 JD as of 2014. Though this figure is partially inflated by the massive earnings near the top of the distribution, a median figure of 24,000 JD indicates that the typical Gulf-based émigré is still earning somewhere in the range of 8-10 times the median earner in Jordan. See: *Jordanian Expatriates* (2018), p.4; Wabha (2014), p.187.

642 Per the JSF, the median amount remitted by emigres in the Gulf is 10,000 JD/annum (p.4), and over 68% of the emigre population regularly remits money back to Jordan.

almost never winding up in productive investment).[643] They are indirectly problematic, meanwhile, in terms of their opportunity cost that is inherent to their receipt (i.e. the exportation of high-skilled labor to the Gulf).



Data Provided by Central Bank of Jordan

Should the Jordanian economy have any chance of moving into the higher sophistication products and services constituting the globalized *knowledge economy,* it will need high skilled workers. To the extent it is losing these workers by the hundreds of thousands, immigration policies are functioning so to reproduce the economy's stagnation and underdevelopment.

643 Indirectly, moreover, by propping up the real estate market, remittances also support (in part) speculation in the built environment. As the profits of investors in these sectors depend upon a firm's capacity to employ (poorly paid) non-Jordanians, remittances indirectly contribute to the Egyptianization of the Jordanian labor market as well.

Conclusion

As I hope this review makes clear, the external articulation of the Jordanian SSA is not only imbricated in the other institutional domains of the wider social structure of accumulation—from its migratory dimension's connections to the social control regime to its investment and trade dimension's connections to today's prevailing form of market competition—, it is also fundamental to the stabilization of today's capitalism *of* crisis as well. Indeed, if doing little for sustainable development, the country's system of FTAs, budgetary aid, export processing zones, immigration policies, and investment policies helps sustain both the regime itself and that regime's coalition of foreign and domestic allies. In a sense, the same modality of regional and global integration both bolsters the Palace and the elite fraction of the capitalism class while simultaneously dooming the long-term social and economic prospects of the country.

CHAPTER ELEVEN

Legitimating neoliberalism: inward/outward facing ideology and the Jordanian SSA

By consequence of the Jordanian state and economy's external dependence, the ideological legitimation strategies one sees disseminated today are directed at two separate (if not entirely mutually exclusive) audiences: (1) the national demos/working population and (2) the international community/transnational capitalist class. In studying how capital (and its Hashemite sponsor) sells the propriety and normative measure of the contemporary economy[644]—and in evaluating their successes or failures in this venture—, then, one must appraise both the inward and the outward dimensions of these appeals. Analytically, I will attempt to account for the two-sidedness of this ideological apparatus through addressing four master scripts most central to the legitimization of today's wider political economy—and the extent to which each orients towards domestic or international audiences.

The *fetishization of globalization* constitutes the first of these master scripts. My analysis here will detail how the Palace in particular works to depict the current international economic order as a natural, climate like phenomenon. Directing these appeals towards both domestic and transnational ears, I will then demonstrate how this framing is used to validate *Generation Abdullah's* neoliberally-styled economic opening as inevitable, necessary, appropriate, and nearly involuntary. From here, I will turn to a second master script I entitle the *depoliticization of*

[644] I will be using a mixed methods approach here so to incorporate findings derived from a comprehensive review of the scholarly literature alongside those produced by a discourse analysis centered on the speechmaking and official publications of the King.

governance. Herein, I will first focus on the discursive and institutional maneuvers designed to sully the *political* through investing political parties, democratic institutions, and *the state* with charges of endemic corruption, traditionalism, and particularism. Cast in this light, I will trace how such ideological campaigns allow the state to subsequently cast and venerate *technocratic,* non-democratic, Palace-dominated forms of governance as the antithesis of the *political*. With the third master script—one I entitle *Lionizing the Private Sector; Championing the Entrepreneur*—I will delineate how the Palace and the capitalist class have attempted to ascribe goodness, deservingness, and social importance to Jordan's economic elite. Framed as the central protagonists in the modern development process, I will demonstrate why the figure of the entrepreneur is especially critical to this ideological campaign—and to the normativity of prevailing class relations more generally. Finally, with the fourth master script, I will detail how the person of the *social entrepreneur* also ties into the regime's siege on the political. Evincing how the Palace (and the international community) promote innovative, youthful, civil-society based interventions as the solution to pervasive social ills, I will argue that the mythos of social entrepreneurship serves an expressly ideological (and anti-welfarist) project. Expediting the state's abdication of its basic social obligations in the final instance, social entrepreneurship will be located as an ideological cognate to philanthropy and corporate social responsibility—praxes which, regardless of their immediate merits, are indelibly implicated in a larger neoliberal project.

(1) Fetishizing Globalization

Of all the ideological master scripts evoked during the era of contemporary *globalization*, the *fetishization (*or naturalizing) of the current international economic system is perhaps the most pervasive. It has been ceaselessly invoked by third way-styled liberal reformers in particular, at once constituting their central description, explanation, and excuse for the neoliberal project. Mystifying the policymakers and policies that have explicitly redesigned systems of trade, capital movements, production, and distribution, fetishization renders a sunny inevitability[645] out of the fundamental transformations that have reshaped societies and economies across the world.[646]

While having played a famously large role in western liberalizations of the 1990s, *fetishization* has made its mark in Jordan as well. It has, in fact, been at the very heart of King Abdullah's reformist project from the very start, anchoring the picture of the world that *Generation Abdullah* presented to the demos—and demarcating the perimeters of what policy alternatives might henceforth be imagined. Jordan's accession to the WTO, its signings of FTAs, and its laissez faire industrial policy, for instance, have all been conceptualized and rationalized

[645] Recall that Abdullah's policy elite very much presented the country's accession to the WTO as a fait accomplis for which there was no alternative. This was so despite the objections of many members of the Lower House and in spite of considerable opposition within the media and the wider public sphere.
See: Anani (2001), p.186.

[646] In the case of Jordan, one could argue that the international economic system does function as something of an exogenous, climate-styled event. By virtue of the country's marginality—whether vis-a-vis the decision-making processes occurring at the Bretton Woods Institutions or vis-a-vis the interests of global capital—, Jordan is something of a *taker* of globalization more than it is a *maker* of globalization.

within the frame of *fetishization,* rendering voluntarist political choice into *there is no alternative* exculpation.

Signaling his intent from day one, the King's articulation and dissemination of the *fetishization* master script is perhaps best reflected in a series of speeches he delivered to American audiences shortly after coming to power. The first of these speeches was given at Harvard University in October of 1999. For the young King—who had only months earlier rather surprisingly jumped the line of succession so to ascend to the throne—, the occasion at Harvard allowed him to announce his reformist intentions and perform his modernist bona fides for the international community while at the same time sketching an ontology of globalization for observers back home. Defining the world as it is through the assertion of a number of self-sufficient facts[647], the speech tacitly justifies the reform agenda Abdullah et al already had in mind. In the King's words (italics are mine):

> *The globalisation of international economic affairs, ranging from trade matters to investment issues to the protection of intellectual property rights, has left no room for narrow differences among nations to obstruct the process of establishing a new mode of regional economic cooperation and development any longer.* Certain requirements are essential for the establishment of this new framework, including a strong political will to positively and constructively address issues of asymmetry in the social and economic conditions of neighbouring states.
>
> *Equally important is the determination of states in the region to pursue the path of economic reform, and to adopt and pursue liberal policies regarding trade, investments and the free movement of capital. Jordan has been a leading pioneer in this regard. Our commitment and pursuit of economic reform, as evidenced by the continued efforts to achieve monetary and fiscal stability, the successful privatisation of government-owned companies, and the*

[647] Such self-sufficient facts are perhaps best represented in an interview that the aforementioned leading trade negotiator Muhammed Halayqa gave to the *New York Times,* where he asserted "the world is run by the big corporations, whether we like it or not."
See: William Orme Jr., "Jordan's long road to the free-trade club", *New York Times* (May 21, 2000).

> *determination to improve the investment climate in the Kingdom, have placed us at the forefront of those countries intent on helping themselves before seeking the assistance of others.*
>
> Jordan's entry into an association agreement with the European Union, and our impending accession to the World Trade Organisation, have paved the ground for an effective and meaningful participation in the global economy. Despite a fourth consecutive year of negative growth in per capita income, our will to continue with the reform of our economy has not wavered. *On the contrary, we realise that the more attractive our economy becomes to foreign direct investment, the easier and quicker for it to emerge from its recessionary mode.* It is this realisation that has placed the goal of attaining economic stability at the top of our agenda.[648]

In these brief remarks as much as in the decades of planning documents that would subsequently be issued, one sees the *fetishization* of globalization infuse a very particular kind of economic change with both *optimism* and *inevitability.* Regarding optimism, this is a discourse that begins by drawing on many of the tropes and axioms found in neoliberalism's archive so to promise that fiscal consolidation and the *attraction* of foreign direct investment will be sufficient to drive prosperity. In next asserting that *liberal* policies on trade, investment, and capital movements are not only the sine qua non of development but also socially equitable in their distributive effects, it is one that also obscures the class biases that are contained in this larger transformational project—that presents structural reform as bountiful and good for all Jordanians. Through then consistently and incessantly repeating these claims across policy documents and public statements, the message dissolves into a kind of diffuse common sense—an unthinking profession of faith that each policymaker must incant (whether the public buys the lie or not).

[648] King Abullah II, *Speech of his Majesty King Abdullah II at Harvard University.* Cambridge, Masschusetts (October 15, 1999).

As for inevitability, the cold doses of realism that are projected in the "certain requirements" Abdullah's speech lists simultaneously allow Abdullah et al to erase their discretionary agency within the policy process. Old ways simply *have* to go[649]; the world is moving on, globalization is here, and Jordan need get on board. In this context, it is as if those writing and signing legislation are nothing more than the custodians of a self-propelling process. With boilerplate liberalization constructed as a pragmatic *a priori* for all policymaking, after all, there can be "no room for narrow differences" when it comes to trade, IP, or investment policy. Through such a sleight of hand, Jordan's policymakers are able to both promise the world and abdicate responsibility for what may follow.

While not especially effective in persuading the everyday Jordanian of structural reforms' merits (or of the merits of Jordanian capitalism more generally[650]), the propagation of the *fetishization* master script has served the King well vis-a-vis his foreign audiences. By also pervading and defining the collective common sense guiding Jordan's policy elite over the past twenty years, its effects on today's capitalism of crisis have been multifaceted and profound.[651]

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649 For example, Baseem Awadallah, one of the central figures on the ECC, would present Jordan's need to reform Intellectual Property law in line with TRIPS Plus—reforms that proved deeply injurious to Jordan's pharmaceutical corporations—as follows: "the (*Jordanian*) pharmaceutical companies here were living in cuckoo-land, thinking that you could keep on stealing and stay in business."
See: Orme Jr. (2000).

650 Evidence of these failures in persuasion are abundant across public opinion surveys. The Arab Barometer's Fifth Wave (carried out in 2018) shows 71% of Jordanians list the economic situation as the most important challenge facing the country (and another 17% list financial and administrative corruption).

651 See: Colin Powers, "Policy convergence, (under)development, and Jordanian economics under King Abdullah, *Middle East Law and Governance* (forthcoming).

(2) Depoliticizing Governance

The second ideological front opened in the regime's efforts to legitimate and advance economic liberalization centers in the domain of governance. Herein, the regime's tactics have primarily been oriented around a cynical campaign designed to render *politics* (and those who do it) as dirty, corrupt, and inadequate. Having done so, the Palace conjures its favored technocrats through negation, presenting the Royal Court and policy bodies like the ECC, ASEZA, and the Amman Institute as the antithesis of the positive terms first ascribed to the *political.* Mythologized as sites of anti-politics and positioned as the ideal (and necessary) fora for policymaking, this master script is therefore meant to legitimate insulated and anti-democratic policymaking—to legitimate the *process,* in other words, through which economic liberalization has been realized.

Working sequentially, one must first begin with what (or who), exactly, this discourse is referencing when it evokes the signifier of *politics.* In the hermeneutics of the regime, *politics* is meant to conceptualize and describe the business of parliamentarians, political parties, and state bureaucrats. Implicitly, then, one is meant to conclude from this list that neither the Royal Court nor Jordan's authoritarian monarch—whose person retains nearly unchecked executive and legislative powers—are *political* in nature. [652] By extension, the same apolitical character can be assumed of the autonomous, Palace-aligned policy institutions (think ASEZA or the ECC) that

[652] Rather cynically, the King is frequently styled as being *above* politics, as transcending *special interests,* and as an anthopormorph of the nation itself.

have acquired such gravity during the tenure of Abdullah. If that answers the *who* of politics, what about the *what?* How have official, state-backed discourses presented these doers of politics, these partisans, parliamentarians, and bureaucrats?

As mentioned at the outset, each of these *political* actors has been invested with its own special kind of ontological dirtiness. For the political parties (and, by extension, the parliamentarians), the regime's discourse borrows from tropes developed in public choice theory to ascribe them with irrationalism, traditionalism, tribalism, immaturity, short-termism, ineffectuality and generalized incompetence.[653] Omitting, of course, how his Royal Court and General Intelligence Directorate have actively undermined the consolidation of healthy partisan organizations—or, for that matter, how the many suspensions of parliament, manipulations of the electoral system, years of executive law making, and monarchical control of the purse and government may have undermined the standing of political parties in Jordan—, the King uses speeches, published statements, and planning documents to charge that there is something endemically wrong with those who would, by definition, need to lead any prospective transition to democracy.

Two examples might help illuminate how this campaign to ideologically delegitimize political parties (and, by extension, popular government) has operated in practice. Speaking

[653] This ideological campaign was essential to the entire *National Agenda* project, which consistently bemoaned the immaturity of Jordan's political parties. It would also be evinced in the aftermath of the Arab Uprisings, at which point the King said the following to the parliament (italics are mine): "*Until the political party system matures* and can play its rightful role in Parliament, we need to adopt an inclusive consultative approach to government formation, so that citizens can trust that, through their elected representatives, they are truly participating in the process of forming governments, monitoring them, and holding them accountable."
See: King Abdullah II, *Speech from the Throne: Opening the Second Ordinary Session of the 16th Parliament.* Amman, Jordan (October 26, 2011).

before the Jordanian Youth Forum in June of 2011—just months following the eruption of the Arab Uprisings, mind you—, Abdullah used rhetorical questioning to great effect so to intimate that Jordan's partisan actors are fundamentally lacking. In his words (italics are mine):

> Speaking of political parties, the question you have to contemplate is: What kind of political parties you seek? Do you want to see major parties representing the centrist, rightist and leftist orientations, competing in parliamentary elections and, subsequently, participating in government on the basis of platforms and the size of their representation at the Lower House? *Or do you want multiple parties, small and medium-sized, as the case is in our country currently, bearing in mind that such parties have so far failed to have a strong foothold and so they enjoy no wide popular base?*
>
> The other question: What is the nature of these political parties? *Do you need parties that are solely concerned with politics? Or do you want to see parties with programmes promoting better services and development and a clear vision of how to address the problems of poverty and unemployment, improve services in the health, education and transportation fields, protect labour rights, increase the per capita income, review the taxation system and ensure justice in the distribution of development gains, among other issues?* We all need to have clear answers to these questions.[654]

Each question posed in this speech is highly loaded and purposefully ahistorical. Through self-serving acts of discursive erasure, Abdullah's framing of the current impasse is a construct that begins by first mystifying his personal complicity in the shortcomings he attributes to the nation's parties. For instance, the extent to which twelve years of insulated policymaking, twelve years of gerrymandering, twelve years of hollowing out the parliament, and twelve years of empowering non-democratic institutions like the ECC might have affected the programming of political parties in Jordan is fully obscured. Similarly, the extent to which the externalization of policy

[654] King Abdullah II, *Speech of his Majesty King Abdullah II at the Jordan Youth Forum 2011.* Dead Sea, Jordan (June 14, 2011).

commitments—whether through agreements signed with the WTO, United States government, or the IMF—has placed very hard limits on the kinds of policies any ruling party might be allowed to implement, especially when it comes to distributive justice, is also meant to vanish from view. Hermetically sealing the enduring flaws of Jordan's political parties, the only takeaway Abdullah seeks to inspire through this discourse is that such parties are neither *serious* nor grounded in popular constituencies. By virtue of this fact, one ought conclude (and most have concluded[655]) that it is the King who is the necessary and essential steward of the nation's political future.

The same ideological trick is also evinced in a highly staged publication Abdullah later arranged with *The Atlantic's* Jeff Goldberg. Herein, though the style is different, the text *and* subtext are near perfect facsimiles. Obscuring the legacies of history, the publication begins by asserting a series of self-sufficient facts so to define Jordan's parties and politicians as endogenously backward, tribal, and selfish. With the context set thusly, the text can next position its protagonist, King Abdullah, as a reluctant hero—a reformist autocrat frustratatedly retaining his powers not because he wants them but because there is nobody to turn them over to. Per Goldberg:

> In his private office in Al Hummar, which overlooks the wealthy neighborhoods of West Amman, the king had explained to me the reason for the trip to Karak: he was trying, in advance of parliamentary elections in January, to instruct these tribal leaders on the importance of representative democracy. He wanted, he said, to see Jordanians build political parties that would not simply function as patronage mills but would advance ideas from across a broad ideological spectrum, and thus establish for Jordan a mature political culture. He said he would like to see Palestinians more proportionately

655 The efficacy of the King's ideological campaign against political parties and the parliament can be evaluated in a view of a number of interesting findings revealed through public opinion research. Most tellingly, more than 84% of Jordanians expressed either no trust at all (68.5%) or not very much trust (15.7%) when queried about the parliament. When queried about political parties, 70% expressed no trust at all and 9.2% expressed not very much trust (Arab Barometer Wave Five).

> represented in parliament. And he would like to do all this, he explained, without allowing the Muslim Brotherhood—a "Masonic cult" (as he describes it) that today controls the most formidable political organization in Jordan, the Islamic Action Front —to hijack the cause of democratic reform in the name of Islam. In other words, the king wants to bring political reform to Jordan, and to cede some of his power to the people—but only to the right people.
>
> The men he would be meeting—a former prime minister among them—were leaders of the National Current Party, which had the support of many East Bankers of the south, and which would almost certainly control a substantial bloc of seats in the next parliament. What the party stood for, however, beyond patronage and the status quo, was not entirely clear, even to the king. Shortly after the eruption of the Arab Spring, the king told me, he met with Abdul Hadi al-Majali, the leader of the party. "I read your economic and social manifesto, and it scared the crap out of me," the king said he told Majali. "This makes no sense whatsoever. If you're going to reach out to the 70 percent of the population that is younger than me, you've got to work on this." The party manifesto, the king told me, "didn't have anything. It was slogans. There was no program. Nothing." He went on, "It's all about 'I'll vote for this guy because I'm in his tribe.' I want this guy to develop a program that at least people will begin to understand."[656]

Beyond smearing the Brotherhood and positing a fundamental illogic as concerns democracy—namely, that something curated so as to be filled with only the *right actors* can still be considered democracy—, this text is meant to lead its reader to one simple conclusion: as the *politician* remains grossly unfit[657], the Monarch must selflessly take on his duties.

Of course, if one part of Abdullah's neoliberal revolution required he keep power away from the people (and the partisans), the other required that he wage ideological war on the state

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[656] Jeffrey Goldberg, "The modern king in the Arab spring", *The Atlantic* (April 2013).

[657] There are, of course, a number of instances of absurdity in the King's statements here. One of the most obvious—which of course passes by unremarked upon by Goldberg, yet again evincing his capacity to derelict the basic duties of a journalist—concerns Abdullah's denigration of Majali's economic and social policies as *sloganeering*. Given how Abdullah's economized elite had, by this point, spent more than a decade implementing disastrous investment and industrial policies while promising (through the *slogans* of liberalization) that the utopia of a prosperous knowledge economy was just around the corner, it is difficult to parse why Majali's proposals, regardless of their contents, might be deserving of derision while the King's ought to be viewed as *serious* and *programmatic.*

itself. Part of this campaign would include the debasing of those associated with (and valorized during) the country's etatiste period, namely, the modernizing bureaucrat. At the opening of parliament in 1999, he attempted to do just that:

> The Jordanian civil service is renowned for its efficiency. However, lately it has suffered from negative qualities such as apathy, slackness and cliquism, the use of official status for personal gain and, at times, the exploitation of public funds. Therefore my government will continue the measures it has initiated to put an end to all these hateful and negative qualities.
>
> We will not be lenient in dealing with all those who transgress in public service, or misuse it, or attempt to gain wealth illegally, or who are involved in any king of corruption, regardless of its kind or size. Our just judiciary will always have the final say in any such case. My government will continue to restructure its administration, modernize it, (*and*) eliminate bureaucracy.[658]

His opening speech to parliament the following year would touch on many of the same McKinseyan laments regarding the government overreach and political cronyism, only adding that "the government will modernize the administration and fight corruption, nepotism, and favoritism as well as abuse of public office."[659] If Abdullah had relied on charges of ineptitude and tribalism in sullying the partisans, then, he would use allusions to inefficiency and corruption in

658 King Abdullah II, *Speech from the Throne by his Majesty King Abdullah II: Opening the Third Ordinary Session of the 13th Parliament.* Amman, Jordan (November 1, 1999).

659 King Abdullah II, *Speech from the Throne by his Majesty King Abdullah II: Opening the Fourth Ordinary Session of the 13th Parliament.* Amman, Jordan (November 25, 2000).

degrading and delegitimizing the bureaucrat. Over time, these accusations of corruption were frequently folded into the regime's discourse around *wasta* as well.[660]

Without diminishing the extent to which elements within the Jordanian state have indeed practiced corruption and without dismissing the extent to which *wasta* has compromised the building of a healthy public sector, there is, of course, something baldly absurd about the notion that corruption in Jordan might be the scourge of the state alone. As previous chapters attest, after all, corruption pervades nearly every sinew of Jordan's contemporary political economy. It is constitutive of the country's form of market competition, it has pathologically infested the work of Abdullah's favored *technocrats661,* and it has even brought prominent members of the royal

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660 Wasta is one of the King's most frequent talking points. While many of his speeches and public statements touch on the topic, his outward facing positions are most clearly delineated in a 2016 discussion paper entitled "Rule of Law and Civil State".

661 Cronyism and corruption was, of course, endemic to the privatization initiatives of the early 2000s. While many skated by without facing legal consequences, Akram Abu Hamdan, a key member of Generation Abdullah from this period, was eventually fingered for corrupt dealings related to the Disi-Amman Conveyor project described earlier.

Following the popular uprisings of 2011, moreover, many more members of Abdullah's economized elite would also be exposed for fraud, though very little in the way of legal action would ever be taken against said individuals. For instance, though briefly (and appropriately) facing charges of corruption, mismanagement, negligence, bribery, and abuse of public office during the heightened days of the Arab Uprisings, Omaar Ma'ani—Mayor of Amman and board member of Mawared during the era of the capital's urban renewal—was later appointed to the Senate for his troubles. At the time of writing, he also sits on the board of the Crown Prince's Foundation while running the highly lucrative Ma'ani Ventures as well.

The leak of the Panama papers and the legal business of the now infamous Mossack Fonseca law firm would reveal that Ali Abu Ragheb, Prime Minister during the peak of the ECC's powers and a central figure in the establishment of ASEZA's state within the state, operated more than six businesses across the Seychelles and the British Virgin Islands. He too has faced neither charges nor a serious investigation as relates to such an obvious instance of tax evasion and/or fraud (https://offshoreleaks.icij.org/stories/ali-abu-al-ragheb).
Sahel Majali, meanwhile, chief architect of investment policy during the ECC era, a multi-time minister, and a man highly involved with ASEZA and the new Abdali project in Amman, would be forced to resign when massive corruption emerged in regards to the public housing project he was overseeing. Though unable to *fail forward* as cavalierly as Ma'ani has, he too has faced no real consequences, and today acts as Chairman of the Mid Group, a construction company based in the UK. Joining him in that de facto London exile is, Bassem Awadallah, whose name would be at the center of the corruption discourse after he entered into a high-level beef with Muhammad and Nader Dahabi, two highly influential political elites of East bank stock. Though the obvious political nature of

family in for public inquisition.662 In this context, to weaponize corruption and use it against the state is almost gratuitously cynical.663 Nevertheless, to the extent that this weaponization has allowed the regime to protect those individuals and interests that constitute its larger coalition

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this squabble between Awadallah and the Dahabi brothers muddies the waters, Awadallah's central role in the highly cronyist (if not legally corrupt) privatization project gives some basic credence to the allegations pushed against him. Given the fact that many of his colleagues on the ECC and within Abdullah's wider network of neoliberal policy elites would themselves be implicated in corruption, moreover, it would hardly seem a stretch that he would be as well.

Finally, Adel Qudah (a former finance minister), Mohammed Rawashdeh (a senior advisor to former Prime Minister Ahmad Rifai), and Khaled Shaheen (one of the richest businessmen in Jordan at the time) also conspired to defraud the Jordan Petroleum Refinery Company out of millions through seeing to it that a front company under the latter's name procured a massive public contract related to the refurbishing of the refinery. In addition to being one of the country's more gratuitous tax evaders—more than twenty-six different companies connected to Shaheen's name turned up in the Panama papers—one would be naive to think this was Shaheen's first instance of manipulating corrupt procurement processes. Though timing (the recency of the Arab Uprisings) and the absurdity of his grift forced the regime's hand when ti came to punishment, Shaheen served out a three year sentence at a rather luxurious private prison and, as of 2013, has faced no further restrictions on his dealings.

662 Beyond a great deal of impropriety regarding the financing and subsidization of the royal NGOs, the most obvious example here is, of course, Walid Kurdi's. Uncle of the King, Kurdi was convicted by a criminal court in Amman for embezzling more than 40$ million from the Jordan Phosphates Mines Company during his Chairmanship, though he too managed to secure himself a comfortable exile in London while officials back in Amman halfheartedly plead for his extradition. Queen Rania's brother Majdi al-Yassen, who has himself married into the al-Saket family, has also been targeted by many within the domestic opposition under accusations that he has amassed a land and property empire through purchase of underpriced previously public lands. To date, no legal probe has looked into these charges.

On the royal NGOs, see: Association for Progressive Communications and Humanist Institute for Cooperation with Developing Countries, Report: *Global Information Society Watch 2012: The Internet and Corruption, Transparency and Accountability Online* (2012). pp.153-154

663 This cynical weaponization of corruption—as well as the cynical instrumentalization of anti-corruption probes—predates Abdullah and has in fact been a fixture of policymaking across the era of structural reform. This was most baldly evinced following the election of Jordan's first post-IMF parliament (1989-1993). At this time, two Islamist members of the lower house, Layth Shubaylat and Yaqub Qarrash, took the then liberalizing Palace at its word and attempted to pursue an earnest investigation examining the corruption of the Samir al Rifa'i government as well as the more general prevalence and magnitude of kickbacks traveling from the accounts of private sector elite's and into the pockets of lawmakers and government ministers. Shortly thereafter, both representatives were arrested on demonstrably absurd charges, sentenced to death, and then pardoned under the de facto condition that the investigations cease.
For more on this, see: Blue Carroll (2001), p.223.

while still performing Jordan's liberal propriety for the international community, it has proved ideological efficacious all the same.664

Technocratic Anti-Politics

As mentioned in the introduction, the dirtying of the *political*—whether by rendering the bureaucracy the singular totem of corruption and inefficiency or by denigrating Jordan's political parties as immature and inept—was not an end into itself. It was also essential to the regime's ideological styling (and promotion) of technocratic *anti-politics.*

One observes this styling across Abdullah's tenure and across all the technocratic policymaking bodies discussed in chapter four. The Economic Consultative Council, Aqaba Special Economic Zone Authority, and the Municipal Government of Greater Amman under Ma'ani's leadership each defined themselves through this act of negation—positing themselves as a kind of inverse to all that had been ascribed to parliament, the political parties, and the bureaucracy. Where politics were particularist, then, these policy institutions were universalist in mission.[665] Where politicians were irrational, short termist, and traditionalist, these technocrats were

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[664] On the wider use of anti-corruption as an ideological device in Jordan, see: Andre Bank, "Rents, cooptation, and economized discourse: three dimensions of political rule in Jordan, Morocco, and Syria, *Journal of Mediterranean Studies* (14:2), 2004.

[665] This sort of logic is self-evident in statements articulated by Imad Fakhouri, one of Abdullah's most trusted lieutenants and the former Chief Commissioner of ASEZA. Fakhouri justified ASEZA's authoritarian state within a state on the grounds that it served "the common and public interest instead of the private and smaller scale interest."
See: Debruyne (2013), p.172

rational, pragmatic[666], long-termist, and distinctly modern.[667] Where bureaucrats and politicians animated and benefited from the system of *wasta,* the King's policy elite were working to wipe it out. Perhaps most absurdly of all, this strategy of antithetical legitimation even attempted to position what was an obvious weakness of the technocrats—their total disjuncture from any meaningful social base—as a strength. Having tarnished the politicians with the charge of endemic clientelism[668] and having made clear that a relationship with a constituency could only imply clientelism, corruption, and patronage, the technocrats' wholesale insulation from the demos was presented as a singular asset. Positioned thusly, they are made the best (and only) option for governing Jordan and for leading the country's development efforts in particular.

Public opinion data suggests this ideological campaign has largely failed to garner credence amongst domestic audiences.[669] If evaluated as an externally-oriented performance—

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[666] This self-styled pragmatism is quite clearly evinced in the words of Bilal al-Bashir, who justified ASEZA's massive discretionary power and non-democratic policy making on the basis that "people in Aqaba are not interested in empowerment – they just want things done" (Ibid, p.173).

[667] This traditionalism v. modernism pairing is perhaps most clearly distilled in the words of Gerry Post. While working with Omar Ma'ani on the Master Plan for Amman's urban renewal, he would claim that the municipal government had been compromised by "local powers and tribal elites...(*who)* don't care about level of public service (*but rather)* about lining their own pockets and those of their friends" (Ibid, p.306). The implication contained in this charge, of course, is that Post, Ma'ani et al were not interested in lining their own pockets, but in the public service they were providing the city. As footnotes on the previous pages make clear, this sort of implicit claim is patently absurd.

[668] And to the extent, of course, that clientelism was presented as the only possible way that a representative might interact with her/his constituents.

[669] Public opinion data on ASEZA, the ECC, and Ma'ani's tenure as Mayor are relatively scarce. Nevertheless, a number of proxy measures afford insights into the demos' view of the general autocratic-technocratic tendencies evinced by Abdullah's policymakers. One can begin with the public's views of the cabinet and national government, which is of course appointed by the King. As of 2018, 60% of Jordanians expressed either no trust at all or not much trust when asked their views of the Cabinet (Arab Barometer Wave Five).

One can also examine public opinion as relates to the performance of regional and municipal governments. Specific to regional governments (under whose category people would be likely to locate ASEZA), 66% expressed no trust at all or not much trust. For municipal governments, the figure was 61% (Arab Barometer Wave Five).

one meant to embed Jordan's autocratic-technocratic governance within *international* norms—, however, its efficacy seems difficult to dispute.

Ideologizing Democracy

Complementary to the tacit promotion of technocracy that is implied in the denigration of those actors and institutions that are essential to democracy was a second ideological campaign to reconceptualize what, in fact, democracy and democracy promotion consists of. Though more subtle than the Palace's ideological maneuvers against the parties and the state, the hermeneutics herein delineated in these campaigns are just as conducive to technocratic governance and insulated policymaking as had the Palace's undermining of party and parliamentary life.

More specifically and as institutionalized through *Demoqrati,* a Democracy Empowerment program financed by the King Abdullah II Fund for Development and launched in 2013, such hermeneutics follow Putnam in envisaging democracy as a kind of cultural phenomenon in the first and last instance. Based on one of the tacit teleologies inherent to the liberal imaginary—on the premise that *backwards* peoples and *immature* cultures can't *do* the voting and governing part of democracy properly—*Demoqrati* conceives of democracy promotion not as the *materialist* business of institutionalizing voting, representative governance, participatory policy making, and popular accountability, but as a more diffuse remit centered on supporting the activities of (liberal) civil society. Allocating between 5,000-40,000 JD for helping individuals, youth groups, and civil society organizations aiming to provide "tools for the youth to help them express themselves and highlight issues of concern in their local communities", "raise awareness among the youth on issues of culture and arts", "contribute to the development of governorates (*as)* hubs for culture and arts, and to "produce innovative works in the various fields of arts", *Demoqrati's* is a vision of democracy promotion, in fact, that is wholly disjointed from anything to do with governance, government, or policy. In this framework, democracy is a film, a poem, or the immaterial nothingness of *a conversation* that is so sacralized in the liberal discourse. No resources are to be devoted to supporting political parties. No mention is made of the kinds of constitutional changes that are necessary to make democracy meaningful in Jordan, nor does the selection criteria of *Demoqrati* stipulate that the initiative will look to target groups seeking to address those kinds of questions.

Working to promote "new kinds" of civil society organizations "whose goal is to help build civic and political engagement across society" the result of which will be the consolidation of a "democratic culture that guarantees a tangible bottom-up change", this is an effort in democratization that conspires to reproduce the status quo ante while coating itself in good intentions and liberal sensibilities (Coestier, 2015, p. 29). Not especially different than the modality of *democracy promotion* adopted by the EU and United States, these efforts thereby constitute a kind of bait and switch whereby the basic principles of a people's government are foregone in exchange for some modicum of freedom of expression and a powerless public sphere. This all being the case, *Demoqrati's* democratization too serves to reproduce technocratic, popularly insulated governance, whether from an institutional or an ideological perspective.

(3) Lionizing the Private Sector; Championing the Entrepreneur

As was just discussed, upon taking power, Abdullah, his economized elite, and his partners in the IFIs were keen to push the claim that the developmentalist state and the post-colonial compromise more generally were anachronisms unsuitable and unfeasible in the age of globalization. Thereby announcing that the state's abdication of its role as the central agent in Jordan's modernization was imminent, they also cleared the space for a new national protagonist. Called upon to take on this historic responsibility—ideologically at least—was the private sector and the Jordanian entrepreneur more specifically.

Ascribed with vision, artistry, and a commitment to the public interest, the entrepreneur has been conjured as an aspirational ideal, as the steward of progress and prosperity, and as corporeal evidence of capitalism's (and globalization's) meritocratic nature and underlying *goodness.*[670] Icons showing the path forward as well as the rewards awaiting the talented and the ambitious, the entrepreneur's wealth and example is consistently referenced so to establish the normativity and desirability of Jordan's neoliberal capitalism.[671]

[670] Like many others, this ideological regime has neither materialist content nor a historical memory. It is one that erases questions of class and capital and posits pure voluntarism, that takes inherited wealth and reimagines as the fruit of bootstrapping ingenues.

[671] Whether the Jordanian people are actually buying these myths is certainly open to questioning.

To begin, public opinion data shows the Jordanian public to be highly dubious on the merits of austere individualism, capitalism, and the domestic business class. Specific to capitalism, this data is unambiguous in establishing that the public's strong support for both democracy *and* shariah reduces to the fact that people interpret each political system instrumentally—as means for ensuring a more equitable, socially secure economy (see: Arab Barometer Wave Five).

Regarding the public's regard for Jordan's domestic business elite, the data is fairly damning. More than 67% of Jordanians express no trust or not very much trust regarding domestic business people (Arab Barometer Wave Five).

A few particular points are worth mentioning as regards this wider *master script.* To begin, unlike the private sector rent seekers of yore, the modern Jordanian entrepreneur has been presented as an innovative, dynamic kind of individual—as a person who *creates* value rather than extracts it.[672] Styled as self-made, tech savvy, profit seeking, risk reveling frontiersmen and women, the entrepreneur "represent(s) Jordanian economic 'success stories', symbolizing young,

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The wonderful ethnographic research of Mayssoun Sukareih, meanwhile, suggests everyday Jordanians may be equally dubious as regards the merits of entrepreneurialism. Sukareih's research was conducted at Save the Children's microfinance based *Najah* Training Center. Her work details a number of dually tragic and hilarious scenes. One features the Save the Children trainer bringing Soraya Salti (later named a regional director for Queen Rania's INJ@Z initiative, currently the director of the Shoman Foundation) and Nour Kabariti, each a scion of Jordan, to offer an entrepreneurship *how to* before a group of students universally hailing from refugee stock. Evoking many of the ideological scripts described in this chapter, Sukareih details how Kabariti's attempts at investing entrepreneurialism with meritocratic, ideational, and bootstrapping properties were rather boisterously rejected by her pupils. Having attempted to explain her her success as an entrepreneur as a function of her mentality, inventiveness, and will power, for instance, Kabariti was eventually forced her to admit it may have also had something to do with the 100,000 JD trust fund she was given upon leaving college.
Another rather absurd scene from Sukareih's article saw a Save the Children trainer reprimand students during a role playing exercise where they were asked to imagine what they would do if, simultaneous to getting their business plan financed, their neighbors' home was to burn down. After the class, comprised mostly of unemployed individuals from Baqaa camp, the largest of the Palestinian refugee camps in Jordan, was scolded for unanimously agreeing that they would give the money to the homeless family, one student offered a particularly poignant response worth quoting at large, as it offers a window into how everyday Jordanian people interact with the ideological projects being promoted by both the King and the international community. As this individual put it:

I am the son of Baqa' and my neighbor's house burns down and you are telling me I should ignore that and focus on getting my business started! To hell with you and SMEs, I do not want to be an entrepreneur...If having my own business is going to lead me to forget my neighbors...If it is going to lead me to ignore the pain of my neighbors, I do not want to "be my own boss." Do you know who my neighbors are? They are either my cousins, my uncles, or even brothers and sisters and you are asking me to forget about them and focus on my business...I do not need your training. We poor people survive by helping each other, we live all together, not like you in West Amman.

See: Mayssoun Sukareih, "On class, culture, and the creation of the neoliberal subject: the case of Jordan", *Anthropology Quarterly* (89:4), 2016, pp.1202, 1212

672 These sentiments abound in the speeches of King Abdullah, most emblematically, perhaps, during remarks he delivered at University of California Berkeley, where he said the following: "I have always been fascinated by the ability of entrepreneurs to take a brick, see in it a house, and build a whole city."
King Abdullah II, *Remarks by his Majesty King Abdullah II at "innovative Jordan Conference.* Berkeley, California (May 13, 2014).

self-confident 'winners' in globalization and (*those that)* have internalized the currently fashionable neoliberal jargon."[673]

Of course, the mythologizing of the entrepreneur obscures a great many continuities (and family genealogies) bridging the cronies of yesteryear with the heroes of today.[674] Amongst the most celebrated of Jordan's entrepreneurs—Samih Toukan, Ghassan Nuqul, Fawaz Zu'bi, Imad Malhas, Mohammed Asfour, Omar Taba'a, Lamia Taba'a, Mohammed Jaber, and Karim Kawar—, for instance, one finds no small number of quota coterie legacy children. One also finds a number of businessmen that have demonstrated no compunction when it comes to exploiting political influence for the purposes of personal enrichment.[675] Nevertheless, as ideological figures, their example and their positioning as the pioneers of Jordan's *Silicon Wadi* have been aggressively promoted by the regime in a campaign functioning both so to obscure the ill-begotten nature of many-a-entrepreneur's gains while also selling private business—rather than industrial planning or public education—as the key to 21st century progress.

It is also important to emphasize that Jordan's entrepreneurs are not only products of a regime-led discourse designed to legitimate neoliberal capitalism—they are also producers of

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[673] Andre Bank and Oliver Schlumberger, "Jordan: between regime survival and economic reform" in Volker Perthes (ed.) *Arab Elites Negotiating the Politics of Change.* Lynne Reinner (2004), p.41.

[674] In Chapter eight, I discussed the extent to which tech and other forward thinking, entrepreneurial sectors have been dominated by the old guard elite.

[675] Nowhere was this more obviously seen than in the case of Karim Kawar, who leveraged his political influence so to launch a massive e-school initiative, one that would naturally require the government purchase thousands of Compaq and Apple computers, computers Karim Kawar's Ideal Group just so happened to be the exclusive domestic supplier of (Schlumberger, 2005, p.143).

More generally speaking, as the list of names on the previous page indicates, many of Jordan's *leading entrepreneurs* have also served as policymakers (whether with the ECC or later at the ministerial level). These positions allowed them to leverage domestic and international relationships into business successes.

this discourse. The *entrepreneur's* active participation in the dissemination of self-serving, self-aggrandizing ideology is perhaps most best epitomized by Fadi Ghandour. A former ECC member and long-time ally of the King, Ghandour is Jordan's greatest public champion for entrepreneurialism. Materially speaking, he founded Wamda in 2010, a platform and capital investment firm meant to connect and fund entrepreneurs from across the Middle East. Ideationally, Ghandour has perpetuated the entrepreneurial mythos hitherto described by consistently making the case that *business* has the answer for all the region's pervasive social and economic ills. The following two quotations are instructive as regards Ghandour's worldview:

> *(1)* "In today's world, you don't need to be a politician to make a difference...In fact, it's the other way around: if you are in politics you are limited in what you are going to be able to do."[676]

> *(2)* "I think entrepreneurship, and having a generation that creates companies, a generation that employs rather than looks for employment is probably one of the biggest ways of solving productivity in the Arab world. That's why I think entrepreneurship is essential."[677]

In this one statement alone, Ghandour manages to sully politics and its capacity to effect change; mystify labor demand issues and the private sector's structural failures to generate employment opportunities; imply that job seeking is developmentally inefficient as compares to self-employment; and divorce entrepreneurialism and labor productivity alike from material questions (i.e. capital). A better spokeman for neoliberal capitalism there could not be.

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[676] Michael Peel, "Tea with FT Middle East: Fadi Ghandour", *The Financial Times* (May 28, 2012).

[677] See: Kreitmeyr (2016), p.124.

Moving beyond Ghandour's person, the business elite's more generalized *institutional* investment in the propagation of the *entrepreneurial* master script is evinced in their involvement with a number of highly publicized organizations established over the past fifteen years. The most famous of these initiatives is *Endeavor Jordan*[678], a Palace-backed organization designed to nurture, incubate and finance entrepreneurs and on whose board sits a veritable who's who of the Jordanian capitalist elite. Oasis500[679], a USAid founded tech incubator whose board and beneficiaries are similarly and wholly dominated by the same slice of the same class fraction, represents a second, slightly more international effort of the same type. From these organizational perches, such individuals perform Jordan's modernity for external audiences[680] while pledging a kind of social commitment to the young businessman/woman chasing prosperity in their own impossible image.

(4) Social Entrepreneurship

[678] Saad Muasher, Chairman of Ahli Bank, Ali al-Husri (Director of Hikma Pharmaceuticals), Said Darwazah (Chairman of Hikma Pharmaceuticals), Maher Kaddoura (Angel Investor), Fahad Al-Jasem (CEO of Zain Jordan), Walid Tahabshem (CEO Integrated Technology Group) all sit on the Endeavor board. The organization's mentors (i.e. those meant to work with aspiring entrepreneurs) includes Imad Malhas, Ghassan Nuqul, Feras Kilani, the aforementioned Fadi Ghandour, Karim Kawar, Hussam Khouri, Nashat Masri, and Samih Toukan.

[679] The Oasis500 board includes Karim Kawar, Fawaz Zu'bi, Marwan Juma, Usama Yayyad, and Walid Tahabashem. In the past, it also counted Ihad Hinnawi and Ahmad al-Hanendeh, the CEOs of Jordan's two largest mobile communications companies (Umniah and Zain).

[680] The English-language orientation and the foreign partnerships undergirding Oasis 500—which has claimed to have trained over 2,500 Entrepreneurs (despite dispatching just over $8 million in seed funding, a figure leading one to question how useful this training has been)—has made this institution in particular into a critical pillar in the externally directed performance of Jordan's neoliberal modernity.

Like the other master scripts discussed in this chapter, the discourse and praxes of social entrepreneurship primarily seeks to normalize the depoliticization of the economy. Premised on the notion that the social ought to be turned into "a space of competition, individual responsibility and self-organization by demanding entrepreneurial virtues and behaviors from people who until recently were not envisioned as entrepreneurs", this is an ideological campaign specifically seeking to erase the causal (and constitutive) relationships connecting sociological and political variables to outcomes like poverty, inequality, and social welfare.[681] Once such issues are relocated outside the realm of public policy (or outside the realm of *politics*), governments such as Abdullah's are free to subject them to the circumscribed, non-transformational rationalities of *technical,* technological, and *civil society*-led problem solving.[682] Questions of capital, class, and power—as well as interventions centered on taxation, redistribution, property,

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681 See: Pascal Dey, "Governing the social through entrepreneurship: a Foucauldian view of 'the art of governing' in advanced liberalism" in Heather Douglas and Suzanne Grant (eds.) *Social Entrepreneurship and Enterprise: Concepts in Context,* Tilde University Press (2014), p.55

Jordan's social entrepreneurship efforts ought to be considered primarily ideological for a number of reasons. First, given the obvious mismatch between the scale of the issues being targeted via the interventions of social entrepreneurs—from poverty alleviation to female economic participation to civil society activation—and the material capacities of the institutionally sponsored social entrepreneur, it seems ludicrous that either the regime or its partners in the international community would perceive these initiatives as genuine, effectual public policy measures.

Second, though Kreitmeyr has argued that the institutionalization of social entrepreneurship has functioned as a means for co-opting and socializing Jordan's liberal middle class, I believe this thesis inflates the material impact that the Palace and the international community's interventions have had. In the aggregate, after all, only a few hundred individuals (at most) are financed each year through the various institutions involved in promoting social entrepreneurship in Jordan. If social entrepreneurship represents an effort in patronage distribution, then, this is a form of patronage that is of an extremely limited scale.

To the extent, then, that social entrepreneurship co-opts few while also generating little in the way of material social welfare, I believe there is a good case for concluding that it be best conceptualized as an ideological strategy.

682 See: Kreitmeyr (2016), pp.34-36.

and production—are removed from the agenda as biometrics, smart phone apps, and SMS-driven job alerts are made the magic bullet for deprivation, wealth polarization, and unemployment.

In Jordan's case, the embrace and institutionalization of social entrepreneurship has proceeded across three identifiable waves. The first wave—which Kreitmeyr has identified as occurring between 2006 and 2008—was led by international support organizations such as the Schwab Foundation, Endeavor, Synergos, the Egypt-based Ashoka, and the US-based Education for Employment.[683] The second wave, extending from roughly 2009 to 2011, saw the Palace take the lead, with the King and Queen offering substantial personal investments—both materially and ideationally—to the cause of social entrepreneurship.[684] Though the King Abdullah II Fund for Development had technically launched its King Abdullah II Award for Youth Innovation and Achievement (or KAAIYA) as of 2008, it was during these years that it KAAIYA's institutional footprint truly expanded. [685] Finally, following the rupture of the Arab Uprisings, the institutional and ideological prominence of social entrepreneurship's would be scaled up yet again. Pushed by domestic and international elites alike as a viable answer to the grievances, anger, and ambition which had metastasized in the months prior, social entrepreneurship was promoted by Jordan's

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683 This first wave was typically promoted during the annual World Economic Forum-MENA Conference that is hosted at the Dead Sea each year.

684 In addition, the aforementioned international institutions (Schwab, Synergos, and Ashoka) also deepened their involvement in the country through appointing and funding larger numbers of Jordanian social entrepreneurs, efforts they would be joined in by one new institutional entrant from the international space: the Skoll Foundation.
For more on this period, see Kreitmeyr (2016), pp.112-115.

685 During this period, KAFD vastly increased the number of fellows it was funding per year while also growing its regional presence through awarding grants to non-Jordanians.

royals and its partners on the INGO circuit with renewed energy—a hopeful (and intellectually lazy) fix for the structural problems being generated by failed economic models.[686]

Contributing to each of the institutions just mentioned—from Ashoka, Synergos, and Endeavor to the royally sponsored NGOs[687]—has been the same cast of Jordanian bourgeois elite that were just discussed.[688] They do so for a variety of reasons. Most obviously, this class fraction retains a material interest in persuading the demos that social entrepreneurship's microinterventions are the most appropriate means for addressing Jordan's enduring social ills. Added to this incentive is the prospect that one's involvement in these initiatives might also provide a forum for the display of public piety, civic conscientiousness, and philanthropic morality. As is the case with the country's champions of corporate social responsibility—another

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686 The "boom" years that resulted for social entrepreneurship would see the Palace again grow its investment in the project through expansion of KAAYIA, INJAZ (an initiative launched in 1999 with USAid support and under the management of Save the Children), as well as via the launch of the Queen Rania Center for Entrepreneurship.

Financing much of this expansion was the US State Department, which would use USAid and MEPI to directly fund the Palace's initiatives. USAID and MEPI money was also used to finance Questscope and the aforementioned Education for Employment's social entrepreneurship interventions. In addition, these years also witnessed the International Youth Foundation (in partnership with Starbucks) enter the social entrepreneurship space for the first time through the establishment of the BADIR initiative (116-117). Directing their efforts towards promoting younger, *less polished* entrepreneurs from the more marginalized spaces of Jordan's geography, BADIR broke social entrepreneurship's elite bias and Amman-centrism.

687 On the Board of Trustees for INJAZ—an organization for which Queen Rania has served as primary patron—sits Sahl Dudin of the Ayla Oasis Development Company (and many other Masri ventures); Dina Haddad, scion of one of the country's automobile import monopolies; both Thierry Marigny of Jordan Telecom Group and Samaan Samman of Lafarge; representatives from all of Jordan's major commercial banks; and representatives from Umniah, Ernst & Young, Aramex, the Kawar Group, and the Manaseer Group, amongst others.

The list of partners for the King Abdullah Fund for Development includes a similar coterie of domestic and international allies: notably, this includes the World Bank, Microsoft, USAid, Inspirational Development Group (an appendage of the British Royal Military Academy at Sandhurst), the International Youth Foundation, and the Talal Abu-Ghazaleh Organization. The judges awarding the grants distributed by the Queen Rania Center for Entrepreneurship, finally, include Mohammad Asfour and Omar Hamarneh.

688 Kreitmeyr (2016) has done a full social network analysis of these organizations. See: pp.123-125

highly ideological initiative where Fadi Ghandour and Sabih Masri are featured quite prominently[689]—, these virtue signaling displays are undertaken with the hope that they might accrue moral decency and good intentions not only to the participating individual but also to the modality of capitalism they have established and benefited from.[690]

Public opinion data suggests that the common sense embedded in this discourse has proliferated across wide swaths of Jordanian society, particularly when it comes to the depoliticization of poverty.[691]

Conclusion

Through review of the four master scripts discussed in this chapter, I have sought to elucidate how the ideological domain contributes to the stabilization of Jordan's capitalism *of* crisis. The first of the ideological campaigns discussed was shown to present neoliberal globalization as a force of nature. In positioning the global economy and Jordan's interactions

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689 Fully in line with the styles of neoliberal philanthropy, Ghandour's Aramex and Masri's Arab Bank have pledged 1.5-3.2% of their pretax profits to various social investments (Kreitmeyr, 2016, p.149).

690 They also, of course, allow the Jordanian elite to perform its modernity by publicly aligning itself with the international bourgeoisie's prevailing ethics.

691 It is undeniable that a majority of Jordanians believe the state ought adopt a far bigger role in the economy, and that it ought to secure the basic welfare of its people. There are other findings within public opinion data, however, to suggest that increasing numbers of people are coming to perceive poverty as being somehow outside politics—as an issue most appropriately dealt with through charitable and/or civil society initiatives.
This is most clearly evinced in the following data point: When asked of the best way to reduce poverty, only 5.9% backed an increase to taxes while 58.3% backed an increase in alms giving. Though Jordanians certainly have a number of reasons to be resistant to tax increases—government corruption, generalized poverty, etc.—, the finding is worrisome all the same in that it suggests people either (a) don't see poverty as a matter of public policy or (b) don't consider the Jordanian political system capable of handling such public policies.

with it as exogeneous to the political, this discourse implied that the economic opening designed and implemented by Abdullah et al was the only alternative available to policymakers. More than that, it also made clear the government would more generally need to change going forward were Jordan to successfully accommodate the exigencies inherent to the new global economy.

These necessary changes would be more fully articulated in the second campaign—*Depoliticizing Governance*—featured in this chapter. Herein, Jordan's political and economic elites sought to dirty the *political* and discredit the bureaucracy. Having done so, they could make the ideational sell that technocratic governance—regardless of the grotesque corruptions it later allowed—represents the appropriate correction for the endemic failures of the parties, the parliamentarians, and the state. Where the first ideological campaign made economic liberalization unavoidable, then, the second one works to make sure policymaking powers remained outside the realm of public deliberation going forward.

The ideological campaigns built around the master scripts of entrepreneurialism and social entrepreneurialism have sought to further consolidate the normalcy and propriety of Abdullah et al.'s neoliberal project. Through publicly mythologizing the entrepreneur, political and economic elites have sought to obscure the material realities of Jordanian capitalism—a capitalism marked by social immobility, working poverty, elite domination, and barriers to competition. Attributing meritocratic and aspirational properties to an economy in crisis, such ideological efforts hope to normativize what *fetishization* has already reified. With the public initiatives launched around social entrepreneurship, the same actors have worked to tacitly legitimate the state's retreat from the domain of social responsibility while also offering up highly public (and individualistic) displays of moral decency. Of note, the Jordanian capitalist elite's participation in the ideological initiatives built around entrepreneurship and social entrepreneurship demonstrates the extent to which identifiable persons—never mind the social forces and class fractions that they represent—integrate the different domains of the Jordanian social structure of accumulation. As a review of previous chapters should make abundantly clear, people like Fadi Ghandour, Karim Kawar, Sabih al Masri, Maher Kaddoura[692], Hazem Malhas, and Ghassan Nuqul have been side-by-side their neoliberal King as he has institutionalized economic policymaking in a host of *nocturnal* councils, implemented diverse social control strategies, consolidated oligopolistic forms of market competition, and as he has disseminated normalizing ideologies. One need little sociological imagination, then, to grasp the particular sinews stabilizing Jordan's capitalism of crisis.

Whether these displays have been sufficient to accrue significant social esteem to Jordan's capitalist elite on the domestic front is of course subject to question. Less ambiguous, however, is the effect that such displays of neoliberal propriety have had vis-a-vis external audiences. Exhibiting Jordan's shared commitment towards the norms, values, and policy changes that are embedded in social entrepreneurship, *Generation Abdullah's* singing from the international community's favored hymnals improves the odds that they will remain that community's preferred compradors for many years to come.

[692] Amongst other things, Kaddoura brought TEDx Talks to Jordan (Kreitmeyr, 2016, p.129)

CHAPTER TWELVE
Conclusions

This dissertation set out to resolve a two-part problematique: (1) *why* is it that Jordanian capitalism continuously engenders developmental and social failure and (2) *how* is it that this capitalism endures in spite of such failures.

In answering the first of these questions, I have emphasized structural properties endowed by both history and Jordan's global peripherality/external dependency before unwinding the more immediate causal and constitutive effects engendered by three deeply interconnected variables: contemporary economic governance, the profit seeking behavior of an elite fraction of the capitalist class, and authoritarian renewal. I have attributed the endurance of this capitalism, meanwhile, to a constellation of integrated institutional bulwarks that I will refer to as Jordan's social structure of accumulation. Consolidating an elite-dominated form of accumulation and control, I have shown how the means and ends of the stability produced by these institutional bulwarks both requires and implies long-term underdevelopment and high levels of social tension. Having demonstrated how this Janus-faced phenomenon functions to generate crisis conditions without ultimately precipitating either the collapse or evolution of the wider political economy, it is my hope that the paradox of Jordanian capitalism—a formation at once resilient and ontologically bound for crisis—has been at least partially resolved.

It also my hope, of course, that the reader has found me rigorous in my claim-making and honest in my intentions. Even were that the case—and all the more so were it not—, however, I recognize that such a *reading experience* would not render this work beyond legitimate critique and censure. Before proceeding to matters of generalizability and the refinement or generation of theoretical knowledge, then, I would like to address some of the charges that I anticipate might be (rightly) leveled against this work, and to explain why I believe those critiques are not as damning as they might first seem.

Herein, I should begin here with the potential charge of elite bias. In focusing on the elite fraction of the capitalist class and the elite policymakers constituting *Generation Abdullah* to the extent that I do, isn't this yet another work on an Arab political economy that manages to vacate all but the gamesmanship of a select group of historic protagonists in its explanations?

On the one hand, I would have to accept this charge and to acknowledge that yes, this work on Jordanian capitalism has most certainly attributed a great deal of explanatory power to the acts and decisions of an identifiable (if transnational) coterie of elite actors and institutions. On the other, however, I would hedge this acceptance by also asserting that: (a) I believe such attributions are appropriate; (b) this analytical privileging of elite actors and institutions has not implied a hermetic sealing of such actors/institutions; and (c) this analytical privileging has therefore not come at the expense of sociological and structural explanation.

Specific to the first of these propositions, elite dominance is an unambiguous and empirically validated fact of Jordanian capitalism. This is a capitalism, after all, whose political and juridical authorship can be (and has been) traced back to a small number of gilded hands. It is a capitalism, moreover, where a small fraction of the business class—amongst whom one would find many of those gilded hands just discussed—defines the character of markets as much as the form of competition that orients the economy. To the extent that policy and juridical processes are also wholly insulated from popular forces or democratic oversight, it would therefore seem appropriate to assign the elite actors (and autocratic-technocratic institutions) identified in this text with an analytical pride of place.

As for my second and third propositions, I feel obliged to point out that any such privileging of elite actors has not implied a more general sociological naivete on my part. Regressing into neither personalism nor into some undue obsession with palace intrigue, I believe I have consistently located the elite protagonists foregrounded in this monograph within the domestic and transnational class groupings to which they are member and within the larger systems of power and profit-making that they are obliged to navigate. I explain business behaviors, then, not through reference to individual whimsy but through reference to the material interests that are borne of social positioning *and* through deconstructing what happens when one pursues said interests within the context of peripherality and late development. Similarly, in addressing policy decisions, I have emphasized not individual shortcomings but the coalescing imperatives of (peripheral/dependent) authoritarian renewal and autocratic-technocratic governance—cognizant that the latter variable is itself influenced by Abdullah's economization of the political class as well. If elites were indeed selected as the channel through which I would tell the history of the economic present in Jordan, then, this was not only because of their unique historical agency, but also because of how their behaviors encapsulate structural and institutional logics as well.

The next critique I anticipate relates to what might be considered a bias towards stasis. Here, my defense would necessarily begin by reminding the reader that such a bias was somewhat unavoidable given the analytical puzzle I have tasked myself with solving: after all, as my problematique centers upon the odd *stability* of Jordan's crisis capitalism, it would seem a bit harsh to reprove me for spending more time explaining stasis than change. That said, this analysis is anchored to social structure of accumulation theory, a theory that conceives of rupture, resistance, and change as immanent to any capitalist formation.[693] This being the case, my case study need also reckon, to some extent, with the prospects of change, lest it devolve into an apologia for crisis capitalism's eternally extending horizon.

In this vein, I need to reiterate that I ascribe no ontological permanence to this iteration of Jordanian capitalism. I fully recognize, moreover, that the conditions allowing Jordan's *actually existing neoliberalism* to reproduce itself simultaneously and inevitably create the conditions for resistance.

I also accept that the conditions for resistance have translated and will continue to translate into resistance proper. Empirically speaking, protest, strikes, and collective actions—whether legally sanctioned or not—have, after all, pervaded the entire duration of Abdullah's tenure. Following global trends, it is also worth noting that the mobilization of contentious politics only intensified following the financial crisis of 2008 and the Arab Uprisings of 2011 as well.[694] Lest one think, moreover, that the halcyon days of *occupy* have fully given way, I would point you to the popular movement that mobilized in response to a proposed revision to the income tax law in 2018—a challenge that ultimately brought about the demise of Hani al-Mulki's government—and the four week teacher's strike that came to a victorious end (from labor's perspective) in October of 2019.

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693 Even if it couches these presuppositions within an appreciation for history's long waves.

694 See: the Armed Conflict Location & Event Data (ACLED) Project.

So long as the Jordanian political economy functions so to strain middle and lower-middle class household budgets to the point of breaking, so long as it guarantees that the expectations of a generation of university-educated students will go unmet, and so long as it threatens millions with downward mobility and eternal precarity, one can anticipate that *uprisings* of the sort described above will be constant and ubiquitous. Whether they should emanate from the non-recognized union movement, the youthful and transformationally minded partisans of *al-hirak,* the *insider* policy elites increasingly frustrated by a spurious development plan, the etatiste military veterans, or the conservative albeit embourgeoised Islamist movement, of course, remains to be seen. What is certain, however, is that there are many battles yet to come in Jordan, and that the struggle over the spoils of wealth and power will be long and complex.

In view of both empirical data and the theoretical presuppositions of SSA theory itself, I would therefore fully agree that challenge and resistance are internal to the very logic through which stability is achieved in Jordan.[695] If accepting these as internal properties of this system of capital accumulation, I only want to push back against those who assume on this basis that change is therefore something of an inevitability. Making such an assumption, after all, would require one to ignore the integrated, mulitlevel institutional construct that at the heart of this dissertation, a social structure of accumulation that is built not only to deactivate social and political challenges through selective absorption and/or repression but also to facilitate the elite capture of profits/rents (thereby buoying the Hashemite regime in equal measure). It would

[695] For more on this general phenomenon, see: David Feathersone, Kendra Strauss, and Danny MacKinnon, "In, against, and beyond neoliberalism", *Space and Polity* (19:11) 2015, pp.1-11.

require one to ignore the many firewalls this SSA puts in place so to ensure that crisis conditions and popular challenges can each be animated without ever bringing about systematic change.

All of which is not to say that change is impossible, or that Jordan's neoliberal capitalism may indeed aspire for eternity. Rather, it is to argue that the relationship between the conditions of demise and demise itself ought always be conceived as probabilistic. It is to argue that the final outcome (i.e. stasis or change) will be determined by both historical contingency and power relations. And it is to warn against either deterministic pronouncements of coming transformation or the diminution of the facts on the ground. As in any place, the balance of power in Jordan cannot be wished away. And having reviewed those facts, I determined it was appropriate to focus the majority of my energies towards explaining that which is rather than seeking out kernels of that which may come to be.

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On to matters of generalizability.

For a case that appears to confound (if not invalidate) much of what passes for conventional knowledge in the fields of comparative capitalism and development economics, how might Jordan's example illuminate truths regarding *actually existing neoliberalisms* in the global south? What challenge does the Jordanian *variety* of capitalism pose to the classificatory schema and theoretical claimmaking generated by Soskice, Hall, and their many intellectual progeny working on contemporary *varieties* of capitalism?

Let us start with the contribution this case study (and social structure of accumulation theory more generally) can offer to the field of comparative capitalism. First and foremost, I believe this case study can further corroborate the wholesale inadequacy of methodological nationalism when it comes to the study of contemporary economies (whether they be peripheral or not). As Jordan's example attests, extranational forces and processes pervade the entirety of the *national economy,* affecting if not constituting the country's policymaking (from welfare and social policy to trade, investment, and fiscal policy), regulatory praxes, capital-labor relations, intracapital relations, as well as the composition of the country's capital stock and the operations of its financial system. To analyze any aspect of such an economy as if it was hermetically sealed at the border, then, would be to obscure many of this economy's most salient properties.

These points have already been well argued and implemented in the works of Bohle and Greskovitz[696], Wolfgang Streeck[697], and Arinci, Ebenau and Pessina[698], all of whom emphasized the dialectical interdependence and co co-constitution binding internal and external domains in contemporary capitalisms. More specifically, Arinci, Ebenau, and Pessina's 2015 publication contends that scholars of *actually existing capitalisms* ought consider seven analytical dimensions (in addition, of course, to the traditional matters of industrial relations, state-capital relations, financial systems, etc.) so to account for the myriad of ways through which the external might *act*

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[696] See: Dorothy Bohle and Bela Greskovits, *Capitalist Diversity on Europe's Periphery* (2012). Cornell University Press.

[697] See: Wolfgang Streeck, "E pluribus unum? Varieties and commonalities of capitalism", *The Sociology of Economic Life* (11:3), 2011, pp.419-455.

[698] See: Lucia Arinci, Nadia Pessina, and Matthias Ebenau, "All varieties are equal...contributions from dependency approaches to critical comparative capitalisms research", in Matthias Ebenau, Ian Bruff, and Christian May (eds.) *New Directions in Comparative Capitalism Research: Critical and Global Perspectives.*

internally. Those dimensions are as follows: (1) the local productive structure and the composition of the local business sector; (2) the nature of the integration of external economic actors; (3) the nature of the insertion of trans-local production and trade networks; (4) the nature of the insertion into trans-local political-regulatory regimes; (5) the state's regulatory capacities; (6) the forms and conditions of use/appropriation of human labor power; and (7) the forms and conditions of use/appropriation of natural resources and the distribution of ecological costs.

Focused less on the dimensions of analysis and more on the metrics scholars ought consider in determining the external's *effect* on internal matters, meanwhile, Bohle and Greskovits (2012) and Joachim Becker (2010) each called for scholars to include evaluations of the following criteria in order to track how peripherality and similarly spatial variables informed a national capitalism's performance: (1) output and employment of complex industries as a share of total manufacturing performance; (2) exports of complex goods relative to total exports goods; (3) FDI stock accumulating in complex industries as a percentage of total FDI stock; (4) unit labor cost[699;] (5) current account deficit/surplus and (6) external debt.[700]

As should be obvious, this analysis is indebted to the recommendations (be they methodological or analytical) offered by all these scholars in many ways. Whether speaking of my data gathering and the evaluative metrics I emphasize or the wider analytical dimensions that have anchored my inquiries, I have borrowed fruitfully from the road maps they have each

699 Ibid 44

700 Becker pp.231

provided. That said, in producing a work that uniquely resolves how the external-internal relation (amongst other relations) acts within the Jordanian political economy, I have frequently gone beyond the roads Ebenau et al have marked. This being the case, I believe this dissertation may offer a handful of novel metrics, conceptual refinements, and analytical/methodological insights that can further enhance how we study and understand comparative capitalisms, especially on the global periphery.

Regarding those metrics that I found most illuminating in the Jordanian instance—metrics I believe might also reflect a more general property of peripheral capitalisms—were those discussed in the context of my analyses of the labor market, the built environment, the state's fiscal sociology, and economic openness. In conjunction with the list of metrics that Bohle, Greskovits, and Becker developed for the explicit purposes of dealing with the *external* environment of contemporary capitalisms, then, I would suggest that researchers also include evaluations of the following measures, grouped by category, as part of any case study (particularly should the economy under examination be positioned within the global south's expansive geography):

Labor market

(a) rates of labor force participation, informality, unemployment (b) rates of working poverty (c) rates of laborers employed in small and micro enterprises (d) non-national composition of labor force (e) sectoral distribution of non-national laborers

Built Environment

(a) share of FDI receipts allocated to construction and real estate (b) construction and real estate's contribution to gross capital formation and gross fixed capital formation (c) construction and real estate's contribution to GDP (d) construction and real estate's aggregate contribution to job creation (e) average sectoral wages in the construction and real estate sector (f) composition of the labor force working in construction and real estate (i.e. nationality).

Fiscal Sociology

(a) magnitude and composition of government revenues (inclusive of external aid and bond issuances) (b) identification of firms/individuals with largest holdings of government debt (domestic and international) (c) magnitude and composition of government spending (with particular attention paid to education expenditures) and (d) household expenditures on public goods (specifically education and health).

Economic Openness

(a) commodities as percentage of exports (b) low sophistication manufactures as percentage of total manufactures (c) manufacturing value add (MVA) (d) longitudinal performance on domestic issuance of patents and trademarks (e) foreign equity holdings in domestic banking sector.
I would also include two binary evaluations: (i) is the country member to the WTO? (ii) does the country have an FTA with the United States or European Union?

By integrating each of these measures into one's statistical descriptions of a national economy, I believe students of comparative capitalism will be able to develop a clearer conceptualization of that which separates a peripheral capitalism from other, better researched modalities. In addition, inclusion of these metrics will do more than ease classificatory analysis. First, by drawing attention to understudied aspects of these economies—aspects deeply implicated in their persistent underdevelopment—, they will facilitate improved development-related theorization. Second, by foregrounding some of these economy's most salient social consequences (working poverty, stressed middle classes, large surplus populations), inclusion of these metrics will also force scholars to deal with the essential sociological principles of a capitalist formation.

As for the revisions I might offer to Arinci, Ebenau, and Pessina's analytical dimensions, I ought begin by making the case for the addition of a historical dimension. I am confident that this case study was greatly improved through its commitment to historical process tracing. Explanations regarding the contemporary nature of state-capital relations, intracapital relations, the form of market competition, the state's fiscal sociology, and the developmental effects derived from the rent/profit seeking tendencies of an elite fraction of the capitalist class were all enhanced in this manner. As Jordanian capitalism is not unique in being shaped by the legacies history bestows (whether through path dependence or other means)—as the trials of *late* development are, in fact, documented to have exerted a generalizable effect on class and state formation across the global south—, I contend it is therefore essential that scholars of contemporary capitalisms not seal themselves off from the past in studying the present. As for how to operationalize this analytically, I encourage scholars to integrate historical analysis when evaluating market structures, intracapital relations, and the form of market competition as well as when explaining the tendencies of the private sector more generally (i.e. the sector's relative proclivity for productive v. non-productive activities, its risk tolerance, and its record of rentierist v. entrepreneurial profit seeking behaviors).

In addition, I would encourage future scholars of comparative capitalisms to revise and widen how they conceptualize and evaluate industrial relations. Herein, I believe the frameworks, concepts, and theoretical insights provided by SSA theory's approach to social control will be of great utility. Allowing analysts to appraise how matters of labor market segmentation, informality, atomization, and spatialization delineate the parameters of labor-state-capital relations as much as traditional questions of unionization do, an embrace of social control better equips a scholar for wrestling with the realities of modern economies.

Finally, as specifically relates to dealing with the *external* dimensions of national capitalisms, I might also petition future scholars to foreground the policymaking process itself, especially if engaging with the global periphery. By evaluating the relative insulation of this process and the extent to which this process is pervaded by (a) the technocrats of international organizations/foreign governments (b) private international consultants and/or (c) a domestic political elite with identifiable ties to private interests and/or transnational capital, one will be more able to trace how the transnational shapes the juridical foundations of any capitalism—and the consequences that follow.

If this case study can certainly contribute to the methodological, conceptual, and analytical refinement of comparative capitalism research in the manner just delineated, I believe it can also be used to derive a series of causal and constitutive claims specific to life on the global periphery. Herein, one need first recognize that many of the maladies and pathologies evinced in Jordan—from its premature deindustrialization, pervasive informality, declining terms of trade, sizable surplus populations, and high working poverty rates to its technocratic state capture—are unfortunately common amongst modern peripheral capitalisms. As relates to theory generation, to the extent that these maladies and pathologies can be shown to derive (in part or in whole) from a common exogenous source, it would hold that one ought be able to use inductive reasoning in conjunction with the thick description offered in this case study so to establish the ceteris paribus effects that such an exogenous source exerts on southern economies writ large. To the extent that these maladies and pathologies can be shown to manifest with a unique intensity in Jordan despite Jordan having being subject to an external environment that is similar to comparator countries, it would similarly hold that this intensity can therefore be attributed to variables and processes endogenous to Jordan. Were this the case, one would therefore be able to discern the ceteris paribus effects that these endogenous variables exert, and to inductively anticipate the effects such variables are likely to generate should they be extant elsewhere in the global south.

Alas, to establish any of the ceteris paribus effects discussed above with the appropriate level of confidence would require a kind of comparative analysis that is unfortunately beyond the scope of this chapter and this monograph. Cognizant, then, that we will be unable to hold variables fixed across the entirety of the global south in the manner that required for establishing ceteris paribus causality—cognizant, moreover, that we lack the controls needed to use inductive reasoning safely—, in what follows, I will instead be using abductive reasoning to infer the best explanation for the outcomes (underdevelopment in the global south and the unique intensity of Jordan's underdevelopment, respectively) under examination.

Specific to the global south's shared underdevelopment and the common exogenous sources to which this underdevelopment can be attributed, at least in part, a cursory comparative analysis is likely to lead one to infer in the direction of the institutions charged regulating international trade. More than removing barriers to trade, recall that the contemporary system of global trade regulation—articulated through multilateral agreements (like those of the WTO), bilateral north-south agreements (like the Jordan-United States Free Trade Agreement discussed in the monograph), and through the lending arrangements of multilateral institutions like the IMF and World Bank—consolidates invasive supranational regulatory and mediation regimes empowered with wide authorities and jurisdictions. Covering everything from intellectual property regulation, standards and procedures, and industrial policy to matters of capital controls and trade, these are regimes function to extract many essential areas of economic policymaking from the remit of domestic officials and lawmakers, especially in the global south.

As the vast majority of developing nations are now subject to such regulatory and mediation regime and as the vast majority of developing nations evince similar developmental maladies to those evinced in Jordan, I believe it is possible to derive the following, on the basis of the thick description provided in this text, as generalizable properties of these regulatory and mediation regimes: (a) that they are likely to push southern economies into commodity dependence and/or low value manufactures; (b) that they are likely to impede technological convergence; (c) that they are likely to damage the prospects of domestic firms (in the global south) operating in high value-add, high technological sophistication sectors; and (d) that they are likely to reduce the efficacy of human capital investment in the global south.[701]

As for what might be tentatively derived from Jordan's uniquely intense underdevelopment (and the endogenous variables implicated therein), I believe one need begin with one independent variable above all the rest: the modality of economic policymaking adopted

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[701] Jordan's example quite clearly attests to this last potentiality, where human capital investments can be said to have only increased the educational profile of the unemployed. This may be a function of the global division of labor institutionalized under these regulatory/mediation regimes—a division of labor that ultimately casts peripheral countries such as Jordan as surplus to requirements. Without any obvious role to play in global systems of production and trade (particularly within higher value-add sectors), the Jordanian private sector responds by creating very high sophistication jobs. By consequence, labor demand is not commensurate with the increases realized in the human capital levels of the labor supply. The unemployment rate of the college educated thereby goes up, and the efficacy of investments into education is thereby reduced.

by *Generation Abdullah*.[702] As attested to by the thick description contained in this case study, the particular causal and constitutive effects of this variable are both substantial and identifiable. Having determined ceteris paribus effects in the case of Jordan with a considerable degree of confidence, the following propositions regarding this modality of policymaking's likely effects within *within the context of the global south* can therefore be posited:

(a) that the non-conditional extension of investment incentives shall result in FDI inflows whose arrival shall precipitate negligible transfers of technology and/or knowledge.

(b) that the non-conditional extension of investment incentives shall result in FDI inflows that allocate into non-complex industries and speculative non-tradables, respectively (in the case of the latter, I refer to financial assets and assets in the built environment, specifically).

(c) that the adoption and administration of intensive intellectual property regulations shall have a negligible effect on technological transfers (perhaps even a negative effect doing the transfers foregone through the repression of piracy).

(d) that the establishment of highly deregulated export processing zones will result in (i) footloose investment within low-value sectors (ii) firms orienting their business models around cost-based advantages (and thereby requiring cheap inputs) (iii) limited upstream or downstream linkages with the rest of the economy and (iv) pervasive labor abuse.

(e) that efforts to formalize the labor market, in the context of large surplus populations and/or large populations of legally precarious foreign workers, shall result in increased rates of irregular working hours and unemployment amongst low skill *citizen* workers.

(f) that sponsorship of microenterprises shall create duplicative, economically non-viable businesses operating in retail and/or household manufacturing.

(g) that targeted welfarism shall leave large percentages of the poor/near poor without any state assistance.

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[702] While Jordan's rent-seeking capitalist elite also contribute to the country's underdevelopment, their behaviors are not abnormal vis-a-vis comparators in the global south. As most of the global south was subject to similar processes of class formation and *late development,* we can hold the business class's effects relatively fixed for the purposes of this exercise.

(h) that the decline in public good provisioning (particularly in the domains of education and health) shall strain middle class budgets acutely.

(i) that the implementation of neoliberal economic and social policies shall not precipitate the retreat of the state, but rather, its repurposing for elite ends.[703]

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No scholarly work is ever complete, never mind one centered on as large a problematique as that of Jordanian capitalism. Before closing, then, I would like to turn to a deliberation on future research—to some of the questions and areas of analysis needing further exploration within the context of Jordan's social structure of accumulation and to some of the places scholars of the Jordanian economy might consider jumping to more generally in the years to come.

One of the areas in most obvious need of further research concerns ideology's relationship to contemporary capitalism. This need is hardly unique to this study: conceptualizing, operationalizing, and determining the causal and constitutive effects of ideology, after all, is one of social science's most enduring and complicated challenges. Nevertheless, I recognize that this work could be considerably enhanced were it to establish the precise mechanisms through which ideology acts and were it to assemble the hard empirical evidence necessary to show ideology's lived efficacy in Jordan. By better specifying and testing how the mythos of entrepreneurialism and the fetishization of the market *cause* political demobilization and the consolidation of petite bourgeois sensibilities, for instance, or by constructing better measures in order to determine how the discursive reinvention of poverty as an issue of charity rather than one of politics, class,

[703] On this point, I should note that the non-retreat of the neoliberal state appears to hold universally true.

and capitalism weakens collective resistance, I know my claim making would be on far more solid ground.

To date, I have reviewed public opinion data and identified, detailed, and documented a number of outcomes (generalized disaffection, quietism, and the non-animation of class politics) before putting forward what I believe to be compelling, logically coherent, and empirically grounded hypotheses regarding how ideology contributes to those outcomes. Going forward, a number of research projects could be implemented so to falsify or verify these hypotheses. Ethnography, semi-structured interviewing, and focus groups amongst relevant populations[704] provide three methodological approaches suitable for this task, and are particularly well-equipped for those interested in determining how matters of identity, worldview, risk tolerance, individual interest, and social interests actualize in people's lives. These research methodologies would also help scholars better understand the motivations (or at least the self-explanations) behind action an/or inaction by probing how Jordanian people perceive their economy, their place in it, and the efficacy of resistance. More public opinion and survey research would also be of great utility. In the years ahead, I personally intend to administer survey instruments built in the field of social psychology—and by scholars working within the school of system justification theory more specifically—to further flesh out many essential questions related to both capitalism's perceived (il)legitimacy in Jordan and to the behavioral effects thereby rendered. Together with the kinds of research discussed above, I think such a survey promises to lend a great deal of clarity and precision to the claim-making put forth in this text.

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[704] Of those populations that immediately jump out, I would target workers in the informal sector, proprietors of microenterprises, workers in unofficial unions, and the unemployed for this kind of research.

In addition, I believe our understanding of intracapital relations and the Jordanian *form of market competition* could be greatly improved through the accumulation of more firm level data. On the one hand, the accumulation of quantitative data specific to the revenues, profits, assets, and capitalization of privately-owned firms could immediately be integrated into my mapping and evaluations of sectoral market structures. As this part of my analysis has, out of necessity, excluded private firms to date, this data integration could be greatly beneficial. In addition, I believe ethnographic observation at enterprises from across the various segments of the Jordanian business class could not only illuminate the realities and mechanics of competition itself, but the motivations, interests, calculations, self-concepts, and worldviews informing their behaviors.

The application of similar research methodologies—though this time amongst policymakers instead of business leaders—could be very fruitful as well. While we may well know what this political class has done—while we may also have a strong understanding of the motivations, material/class interests, and processes of socialization that inform why they have acted in this manner—, it would nevertheless be illuminating to explore how it is that this coterie of actors perceives their agency, duties, loyalties, and record. Whether the words they articulate are truthful on their face or not, they would nevertheless give a window into how *Generation Abdullah* thinks of the policies they have written and implemented, and of the capitalism they have largely authored. That, in and of itself, might prove wonderfully illuminating.

Finally, I should close on future research by reiterating just how useful a comparative analysis could be. Whether regionally organized or oriented by economies' shared peripherality, prospective comparisons of any sort would allow for the easier isolation of causality (whether historically or contemporarily) and offer a controlled forum within which one might falsify, validate, or refine claims made in this single case study. Checking the work, so to speak, of the inductive and abductive generalizations I have derived from this dissertation's thick description, such an analysis promises to further improve our knowledge not only of Jordanian capitalism, but of economic development and authoritarian renewal along the global periphery as well. Amongst many other research projects already laid out, such a comparative analysis is one I absolutely intend to conduct in the years ahead.

I want to thank all of you for reading. I pray you have found this monograph insightful, thought provoking, rigorous, and engaging.

If this is where we depart, I only ask that you continue to consider the human impact of this capitalism of crisis. While I have done my best to capture these impacts, the statistical measures I have leaned upon can only ever give a partial picture of reality. The poverty, unemployment, precarity and day-to-day stress engendered by the Jordanian variety of capitalism are profound and devastating. How we address these issues in an age of growing ecological volatility will be the challenge of our age. In and Jordan as in the United States, may we demonstrate the requisite fortitude, moral clarity, and intellectual forbearance.

INDEX 1

* Data compiled 11/4/2019

Social Security Corporation's Equity Holdings on the Amman Stock Exchange (2019)

Firm	Equity Share (Percentage)
1. Jordan Islamic Bank	5.772
2. Jordan Kuwait Bank	21.042
3. Jordan Commercial Bank	19.84
4. The Housing Bank for Trade & Finance	15.399
5.Arab Jordan Investment Bank	4.083
6. Safwa Islamic Bank	9.091
7. Bank al Etihad	5.296
8. Arab Banking Corporation	2.051
9. Capital Bank of Jordan	9.272
10. Cairo Amman Bank	7.452
11. Jordan Ahli Bank	10.001
12. Arab Bank	16.968
13. Middle East Insurance	2.264
14. Jordan Insurance	3.421
15. Jordan International Insurance	6.417
16. First Insurance	1.329
17. The Jordan Electric Power	21.465
18. Arab International Hotels	1.001
19. Jordan National Shipping Lines	13.451
20. Jordan Press Foundation	54.92
21. National Portfolio Securities	8.461
22. Jordan Duty Free Shops	56.493
23. Jordan Investment Trust	2.977
24. Al Daman for Investment	61.4
25. Zara Investment (Holding)	12.337
26. Jordan Loan Guarantee Corporation	1.802
27. Al Sharq Investment Projects	1.472
28. Arab East Investment	5.47
29. Real Estate Development	1.639
30. Al Dawliyah for Hotels & Malls	12.118
31. Jordan Mortgage Refinance	10
32. Central Electricity Generating	9
33. Jordan Telecom	28.88
34. Jordan Projects for Tourism and Development	8.94
35. Alia (Royal Airlines)	5.331
36. Arab East Investment for Real Estate	2.201
37. International Brokerage & Financial Markets	1.146
38. Amwal Invest	1.267
39. Jordanian Real Estate for Development	11.453
40. Al Faris National Company for Investment & Export	1.441

*Data compiled 11/4/2019

INDEX 1 (Continued)

Social Security Corporation's Equity Holdings on the Amman Stock Exchange (2019)

Firm	**Equity Share (Percentage)**
41. Arab Phoenix Holdings	4.425
42. Shareco Brokerage	2.083
43. First Jordan Investment	1.9
44. Al Arabiya for Investment Projects	3.438
45. Arab Aluminium Industry	1.468
46. Dar al Dawa Development & Investment	19.319
47. The Jordan Worsted Mills	20
48. Jordan Paper & Cardboard Factories	10
49. Jordan Phosphate Mines	16.527
50. Arab Center for Pharmaceuticals & Chemicals Industries	4.26
51. National Cable & Wire Manufacturing	4.015
52. Jordan Cement Factories	21.834
53. Arab Potash	10.379
54. Al Eqbal Investment	3.415
55. Jordan Steel	4.213
56. National Aluminium Industrial	1.009
57. Travertine	15.466
58. Assas for Concrete Products	1.25
59. Jordan Petroleum Refinery	20.141
60. Bindar Trading & Investment	4

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Wolfgang Streeck, “E pluribus unum? Varieties and commonalities of capitalism”, *The Sociology of Economic Life* (11:3), 2011.

Yann Le Troquer and Rozenn Hommery al-Outdat, “From Kuwait to Jordan: The Palestinians’ Third Exodus”, *Journal of Palestine Studies* (28:3).

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Yezid Sayigh, *Armed Struggle and the Search for State: The Palestinian National Movement 1949-1993.* Clarendon Press (1997).

Yoav Alon, *The Shaykh of Shaykhs: Mithqal al-Fayiz and Tribal Leadership in Modern Jordan.* Stanford University Press (2016).

Yitzhak Reiter, "The Palestinian-Transjordanian Rift: Economic Might and Political Power in Jordan, *Middle East Journal* (58:1), 2004.

COLIN P. POWERS

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SUMMARY OF QUALIFICATIONS

International experience in post-conflict mediation and programming • Robust pedagogical and mentoring experience • International experience in youth-oriented psychosocial education • Strong quantitative and qualitative data analysis skills • Excellent writing and oratory skills • Reading and oral proficiency in Arabic • Strong analytical and problem-solving skills • Ability to work autonomously and collaboratively

EDUCATION

DOCTOR OF PHILOSOPHY, INTERNATIONAL RELATIONS (*With Distinction)* *January 2020*
Johns Hopkins SAIS *Washington, DC*

MASTERS OF ARTS, INTERNATIONAL RELATIONS AND INTERNATIONAL ECONOMICS (*With Honors*) 2014
Johns Hopkins SAIS *Washington, DC*

BACHELOR OF ARTS*,* HISTORY (*Magna Cum Laude)* 2008
Boston College *Chestnut Hill, MA*

WORK EXPERIENCE

Johns Hopkins SAIS Washington, DC
Research and Teaching Assistant *December 2013-Present*
- Researcher, editor, and consultant for Associate Professor and Acting Department Director Camille Pecastaing
- Advisor on curricula design for Middle East Department courses
- Responsible for grading and thesis evaluations

Tomorrow's Youth Organization Washington, DC
Consultant *June 2019-Present*
- Advisor on expansion planning, curricula revisions, communications strategy, and fundraising

Johns Hopkins SAIS Washington, DC
Lecturer *June 2018-August 2018*
- Co-instructor in Master's Program (Course: "The Behavioral Sociology of Conflict")

Fulbright Program Amman, Jordan
Research Grantee *August 2015-August 2016*
- Conducted dissertation fieldwork centered on the economic policies of the Islamic Action Front (IAF) and economic development in Jordan more generally
- Conducted structured, open-ended interviews with roughly 25 officials and leaders from the Islamic Action Front, Muslim Brotherhood, and Islamic Center Charity Society
- Conducted ethnographic research in Weihdat Refugee Camp in regards to the depoliticization of ethnic Palestinians

Full Court Peace Belfast, Ciudad Jarez, Havana
Program Manager, Consultant *September 2008-July 2016*
- Designed and implemented psychosocial education curricula focused on leadership development, conflict management, and cross-communal integration
- Consultant on Ciudad Juarez and Havana projects, focused on revitalizing community centers and safe social spaces, reestablishing communal fraternity, and providing English language instruction

Tomorrow's Youth Organization Nablus, Palestine

Project Coordinator *February 2013-July 2013; January 2011-July 2011*

- Designed and implemented curriculum for summer outreach initiative, providing educational and recreational activities for local refugee communities
- Designed, administered, and evaluated "Midnight Soccer League," a recreational program for local teenagers
- Designed, implemented, and evaluated "Big Brother" program, a mentorship program for teenagers from the local refugee communities

Fulbright Program Kardzhali, Bulgaria

Teaching Assistantship Grantee *August 2011-August 2012*

- Researched state discrimination against the local Roma population
- Researched the negotiation of ethnic and transnational identities among Bulgarian teenagers
- Designed and implemented English language curriculum for Otets Paicii High School

PRESENTATIONS

Middle East Studies Association Annual Conference (November 2019) *New Orleans, LA*

Presentation*: The Political Economy of a Lower Middle Income Trap: Jordan's Development Policy in the 21st Century*

Middle East Studies Association Annual Conference (November 2018) *San Antonio, TX*

Presentation*: Policy Convergence: Economic (Under)development in Jordan under King Abdullah*

International Studies Association Annual Conference (April 2018) *San Francisco, CA*

Presentation*: Islam and Development: Creeping Neoliberalism and the Muslim Brotherhood in Jordan*

Center for the Study of Islam & Democracy Annual Conference (April 2018) *Washington, DC*

Presentation: *Democratization Imperiled? Stubborn Neoliberalism in Tunisia and the Dangers Therein*

Association for the Sociology of Religion Annual Conference (August 2017) *Montreal, Canada*

Presentation*: Pious Neoliberalism and its Discontents: The Economics of Tunisia's Ennahda and Jordan's Islamic Action Front*

International Studies Association Annual Conference (March 2017) *Baltimore, MD*

Presentation*: Islam and Economy in the Age of Neoliberalism: The Economic Discourse and Praxis of the Muslim Brotherhood in Jordan*

PUBLICATIONS

- Powers, C. (2019). Cartelization, neoliberalism, and the foreclosure of the Jasmine Revolution: Democracy's troubles in Tunisia. *Middle East Law and Governance*, 11(1), 1-37.
- Powers, C. (2019). Running the country like a business? The economics of Jordan's Islamic Action Front. *Critical Research on Religion*, 7(1), 38-57.
- Powers, C. How neoliberalism comes to town: policy convergence, (under)development, and Jordanian economics under King Abdullah [Publication pending: *Middle East Law and Governance*].
- Powers, C. The Economic Prospects of the White House's New Plan for Peace. Policy Analysis: Arab Center Washington DC.
- Powers, C. The World Bank and International Monetary Fund in the post-uprising Middle East: Continuities and Change *[In draft]*
- Powers, C. Comparative capitalisms in the Middle East: Lessons from the global south *[In draft]*
- Powers, C. Producing Crisis/Surviving Crisis: Power, Capital, and the Social Structure of Accumulation in the Hashemite Kingdom of Jordan *[Book in draft]*

LANGUAGES AND SKILLS

- English (native); Intermediate high proficiency in Modern Standard Arabic and Levantine dialect
- Proficient in STATA and Microsoft Office Suite (Excel, Word, PowerPoint, Access)
- Excellent written and verbal communication skills. Extensive experience working in multicultural environments